THE Hongkong Weekly Press AND China Overland Trade Report.

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DEATHS.

On the 22nd September, in London, HENRY EDGAR, late Commissioner Chinese Imperial Maritimes Customs, aged 69 years.

On October 10th, at Newchwang, GEORGE FAWCETT, aged 53, late of the Newchwang Pilot Service.

On 20th inst. at the Government Civil Hospital, AUGUSTO CÆSAR BOTELHO, chief clerk, Harbour Office, aged 59. Deeply regretted

On the 22nd inst, PHIROH HAH BHICAJI CHINOY, of the King Edward Hotel, aged 45.—Deeply regretted. Bombay papers please copy.

Hongkong Weekly Press.

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ARRIVAL OF MAILS.

The German Mail of the 22nd ultimo arrived on the 20th instant.

The Siberian Mail of the 28th ultimo arrived on the 20th instant.

The French Mail of the 24th ultimo arrived on the 25th instant.

The Siberian Mail of the 29th ultimo arrived on the 24th instant.

FAR EASTERN NEWS.

The International Banking Corporation is raranging for the opening of a branch at Hankow.

Capain T. W. Garlick, formerly of the Northern Pacific Company's steamer *Tremont*, is now in command of the G. N. S. *Minnesota*.

Mr. de Margerie, French Minister to Peking, paid a visit to H.E. the Governor of Macao, and was received by a large guard of honour and the Military band.

The Governor of Kwangsi recently reported to the Throne that Dr. Sun Yat-sen, the revolutionary leader, had arrived in Hongkong. We have been unable to confirm the statement

The managers of the Shanghai tramway, in a letter to the Press, mention that the loss sustained by exchange of subsidary coinage by the Shanghai tramways is $10,000 per month more than the Singapore loss.

Mr. David F. Wilbur, formerly consul-general at Singapore, but recently United States consul-general at Halifax, has received notification from Washington of his transfer to Tokyo as consul-general. The transfer will probably take place within a month or two.

Messrs. J. E. Morgan and G. Copley, tidewaiters belonging to the Hoihow Customs, had a very nasty experience recently. They went out in a small dinghy and the boat capsized outside the sandspit, but they managed to cling to it, though it was fourteen hours before they were rescued. They drifted in the Hainan Straits till they were rescued from their dangerous position by a junk which took them back to Hoihow.

The *N.-C. Daily News* says that according to the report of down-river steamers arriving in Shanghai within the week-end the boycott at Kiukiang has been considerably relaxed, and may in some respects be described as finished. Steamers belonging to Messrs. Jardine, Matheson and Co. report small shipments from Kiukiang; and while it would be rash to make any definite statement, it is hoped that a few days should see a normal resumption of business.

The four military officers and one surgeon, despatched by the British Government early in the summer of last year to Japan, and who have been studying Japanese during the time, joined on the 1st instant the regiments stationed at Sendai, Utsumomiya, Yokosuka and the garrison hospital in Tokyo, respectively. They are to study until the end of March next. Seven other British officers who went to Japan during the spring of this year, are also expected to join regiments in Kyushu or in the central provinces.

While in port at Manila on the 13th inst. the T.K.K. steamer *Chiyo-Maru* was thrown open to public inspection and several hundred guests were entertained on board. Mr. Forbes, the Acting Governor-General, and many other prominent officials and business men tiffined with the officers of the ship. Captain Greene in a letter to Mr. Lœwenstein, of Messrs. Castle Bros. and Wolf, the Manila agents of the Company, said he could conscientiously say that freight could not be handled better at any port than at Manila, all things taken into consideration. The ship was drawing 29ft. 8in. when she entered the inner harbour, and Captain Greene said that he would not hesitate on some future voyage to enter the harbour of Manila with even greater draft, as from soundings he made he found he had two feet of water to spare.

The death is announced of Mr. K. Takahashi, the Japanese Consul-General at Hankow.

By the P. M. steamer *China* five Chinese students, including one lady, left Shanghai last week for America. They are proceeding thither under the charge of Taotai Tong Kai-sun, and on arrival they will be distributed to various educational institutions in the States.

One of the oldest residents of Bangkok has just passed away in the person of the Rev. Samuel J. Smith, Litt.D., in the ninetieth year of his age. He was born in Burma in 1820, his father being an English Army teacher and his mother a Portuguese. He was adopted as a young child by an American missionary family, who in 1833 were transferred to Bangkok and brought their adopted son with them. Two years later the youth was sent to America to be educated and he did not return to Bangkok until 1849, and he has remained there ever since—a period of sixty years engaged in mission work. Mr. Smith was one of the pioneer journalists in Siam and works have been produced by him for the assistance of students of the Siamese language. His comprehensive English-Siamese Dictionary in five volumes was his greatest undertaking.

Prince Ito has declared that his trip to Manchuria has no political significance; its object is merely to acquire such a knowledge of the conditions in the territory as will enable him to form an intelligent judgment on any future Manchurian question. According to the Tokyo *Mainichi* the Prince's mission is the final establishment in Manchuria of the Japanese long-cherished principle of the open-door and of equal opportunity. As a consequence Japan's political undertakings in the land will even be minimised rather than extended. In view of the fact that the Powers are gradually assuming a friendly attitude towards China, and that the relation between Japan and Russia is also improving, Japan will take a liberal policy in Manchuria, and will reduce various powers hitherto enjoyed by the Kwantung Governor-General. Thus a great curtailment of administrative expenditure will be effected in this direction. These important changes are to be carried out by Japan's great veteran statesman.

Mr. Bertram Henry Tarrant, civil engineer and architect, of Shanghai, died last week at the Victoria Nursing Home after an operation for abscess of the liver. Prior to entering H. M. Office of Works in London he was engaged in private practice. He was then sent out to Shanghai, where he arrived in June, 1907, and took up his duties as first assistant surveyor in H. M. Office of Works. In September of that year he submitted a design for the new Shanghai Club building, and after two months spent in investigating the seventeen sets of plans sent in for competition, the Building Sub-Committee of the Club selected those of Mr. Tarrant. Shortly after this, Mr. Tarrant resigned his position in the Office of Works and started in practice in partnership with Mr. E. H. Morriss, under the title of Tarrant and Morriss, civil engineers and architects, at 1, Yuenmingyuen Road. Mr. Tarrant, who was 39 years of age, leaves a widow and two children, to whom every sympathy will be extended in their sad bereavement. The coffin was borne to the grave by Sir Pelham Warren, K.C.M.G., Messrs. H. E. Morriss, A. M. Marshall, E. J. S. Tanner, H. Ashmead, H. E. D. Hancock, A. Scott, and J. M. Davidson.

THE BOYCOTT ON THE YANGTSZE.

(*Daily Press*, October 16th.)

News of the boycott of the British shipping companies on the Yangtsze river naturally figures very prominently in the latest London newspapers to hand. It has provoked strong editorial comment in newspapers which are usually kept well-informed on affairs in China, and the subject has been brought to the notice of Parliament. Strong political bias seems to have led some of the papers to greater lengths in condemning the "compliant attitude" of the Foreign Office, than the actual facts warrant. Evidently the British Minister at Peking has been bringing the utmost pressure to bear on the provincial authorities, through the Chinese Government, to suppress the boycott, and although three proclamations have been issued by the Shanghai Taotai threatening with condign punishments "the unlawful characters" who keep the boycott alive, there has been little evidence of a weakening of the movement until this week. It was initiated more than a month ago by the Chinese Chamber of Commerce at Kiukiang, and arose out of the alleged manslaughter of a Chinaman by the British police inspector at that port. He was charged before the Consular Court, and after a full investigation, was acquitted. The Chinese agitators were dissatisfied, and while they clamoured for a re-trial of the case in the Supreme Court at Shanghai, they engineered a boycott of British steamers trading with the port, in order to compel acquiescence in their demand. While the Government at Peking issued telegraphic instructions of the most peremptory character to the high officials all along Yangtsze to stop the boycott, the British Crown Advocate was sent from Shanghai to Kiukiang to consider whether there were any circumstances warranting a re-trial of the case, and he came to the conclusion that there were not. The British Minister thereupon brought renewed presure to bear on the Chinese Government to suppress the boycott, and the Chinese authorities have maintained that they have done their utmost to do so. They, however, expressed the opinion that it would be difficult to settle the matter satisfactorily so long as Inspector MEARS remains at Kiukiang. The British Minister is reported to have refused a request for the removal of the Inspector, but we notice that a telegram has this week appeared in the Chinese Press addressed from Kiukiang to the Kiukiang people and the People's League at Shanghai, stating that "it is understood" that the British Minister at Peking has decided that the British Consul at Kiukiang and Inspector MEARS "shall be sent away from the port." The latter, the telegram says, escapes scot free, while a fatal wrong has been done to "our people," and the telegram urges unity and firmness on the part of the Chinese people to insist on the punishment of the inspector. We have seen no confirmation of the statement that the police inpector is to be removed, but holiday leave for Consul WERNER was arranged before this trouble arose, and it is possibly true that the Consul is leaving the port. However small may be the modicum of truth in the telegram sent from Kiukiang, it seems to have had more effect than the official proclamations in raising the boycott, for the latest news is that the boycott is less effective than it has been. We observe that some of the papers at Home, apparently unaware of the efforts made by the British Legation to get the boycott suppressed, have been regarding the incident as evidence of "British impotence in China." "It is instructive," says the *Globe*, "to compare our impotence in this matter with the sharp action of the Japanese over a similar measure in regard to the Antung-Mukden railway." The only instructive thing about the comparison is that it shows both Powers to be equally impotent. Japanese "sharp action" produced proclamations threatening punishment of the ringleaders and participants in the boycott; the British authorities resorted to similar action with like results. But the boycott in neither case ceased. *The Globe* says, "a century of experience should have assured the Foreign Office that other materials besides butter must be used in Far Eastern diplomacy. Yet it still perfers to rely on a method foredoomed to impotent failure." We should like to know the method which assures instant success.

AMERICA AND BALANCE OF TRADE.

(*Drily Press*, October 18th.)

It may seem strange that a people so usually astute and practical as the Americans, using the term for the nonce as applying to the inhabitants of the United States, should allow themselves to be dominated by the fetish of "Balance of Trade" into supposing that a state of national prosperity was denoted by the published value of exports always being in excess of that of imports. Of course, the erection and worship of these fetishes of exploded beliefs is not confined to the American people, for we have witnessed exactly the same phenomenon in the worship by the average Englishman of the idol which he falsely calls "Free Trade," but which on closer investigation turns out to be an aggravated form of Protection, clad, indeed, in the cast-off garments of the original, but on removing these found to be pure and unmitigated Protection—all the worse that it is protection of the foreign against British industries. President TAFT is new in office, and, like the new broom, desirous of emulating the strenuous life of his predecessor, would make a clean sweep of all the abuses that he cannot help seeing about him. Whether he will have been always successful in his well-intended ambitions cannot be clearly seen till the time arrives that, like all American Presidents, he has to retire from office and again take up the rôle of a private citizen. At the moment his aim, a worthy one be it noted, is to revive the foreign commerce of America, which he holds is labouring under some mysterious disease, and at all events is by no means in the wholesome condition befitting so powerful and wealthy a nation as that of the United States. The object is a great one, and as such should be undertaken with due deliberation, and only with a profound knowledge of the disabilities to be amended. The wisest man who ever vaulted into the presidential chair may acknowledge that the position gives him opportunities for learning the conditions of affairs such as prior to his installation at White House he had not dreamt of; and it may be doubted if President TAFT has taken due advantage of this, and has not been to feverishly anxious for change on preconceived lines.

This failing has been more especially conspicuous in his treatment of affairs connected with what, even in America, is familiarly known as the Far East. The latter part of Mr. ROOSEVELT's administration saw most of the diplomatic and consular offices in the Far East occupied by men of mark in their respective lines, who in many cases had had experience of the localities in which they served, and knew the men amongst whom they had to serve. Constitutionally it has been the practice in the States on the accession of a new President to make a clean sweep of the higher diplomatic offices, and the practice may have much to recommend it. On President TAFT's accession to office it was right and proper that these changes should have occurred; but Mr. TAFT, not content with this, in a short time succeeded in transferring every single officer whom he found occupying any position in China. It was not that there was anything to be found fault with, nor that any injustice to individuals was intended. It was simply a transfer of locality. The apparently unintended result was that the tradition of office was lost, within the first three months, and the new men found not only that they had to learn from the beginning everything appertaining to their new position, but that no one was left who could enlighten them as to the past. A wiser ruler would naturally have left a sufficient number of experienced officials to be able to initiate the new-comers; unless, indeed, it had been a case of wrong-doing all round, and it was advisable to clean out an Augean stable, which was not pretended. The climax was reached when Mr. TAFT came to the conclusion that all his predecessors, and all the American merchants who ever had dealings with China—many of them men of whom any nation might be proud—had utterly mistaken their rôle in the Celestial Empire; and that what China wanted was to be "hustled." Full of this preconceived idea he sought about amongst bankers and merchants who had distinguished themselves by successfully pushing themselves into notoriety in the financial world; but most of those to whom the appointment was offered excused themselves from accepting a position which did now appear likely to be financially successful.

At last it was accepted by Mr. CRANE, who, with no disparagement to his personal character, may be described as a typical hustler, just such a one in fact as must have seemed to Mr. TAFT the beau-ideal that met all his desires. Mr. CRANE is not, however, to come amongst us, nor had he given any clue as to what his policy was likely to turn out, so that we cannot be accused of any personal bias, one way or the other. As, however, we said at the beginning of our article, the new President is not satisfied with the course that American commerce has taken; it does not advance with those leaps and bounds regarding which the free-traders of old were wont to burst out into eloquence. On the contrary, it has a provoking tendency to stand still, if not actually to regress; and Mr. TAFT has his own ideas as to the cause, which he attributes to the absence of "hustle" amongst the present generation of American merchants. The CUNNINGHAMS, the HEARDS, and the WETMORES of the old days not only made themselves respected as men in the Far East, but they succeeded in building up a great trade, very much to the benefit of the United States at large. How is it that their descendants of the present day are to all appearance letting their great inheritance slide? Mr. TAFT is plainly of the opinion that the race has degenerated, and that the only thing to save them is to adopt the up-to-date American system of self-advertisement. China is a progressive nation, and the methods that were successful with the pioneers are evidently out of touch with a China demanding constitutional government, improved locomotion, and a brand-new navy. Mr. CRANE, the apostle of valves, was regarded as just the person to play on it the new vivifying stream of hustle, and amongst other things, for the advantage doubtless of the United States, shame it into the adoption of the gold

standard, which all respectable nations (with its solitary exception) have now adopted. This, of course, Mr. TAFT sees correctly, would enable China to take a vastly increased amount of American goods. Now this, as may be said of all heresies, whether of religion or statecraft, contains a vast amount, perhaps the greater part, of truth. Nearly all heresies, says an able writer, have arisen from over-valuation of a single aspect of the facts to be explained, and this is especially true of the heresy beloved of all pious Americans of the "Balance of Trade." Seen from an orthodox point of view profitable trade must always have an, apparently, adverse balance: the "balance," only imaginary indeed, really represents the profits of the trade; for otherwise—and this is perfectly in accord with logic—there would be no profit left for either *exporter* or *importer*. This is the great financial truth that really lies at the bottom of the decline of the foreign commerce of the States. Of its very nature international trade must be mutual, and the nation that seeks deliberately to shut out imports from abroad must by the very necessity of the case raise the exchange against itself to such a degree as to practically arrest the entire flux of commerce. This is practically what the United States in their mistaken policy of Protection run wild have been doing for the commerce of the world. The question is not one of Protection in the abstract, nor yet of Free Trade; both may have their peculiar fields where they advantage the country adoping them. But both when misapplied may be found to do irreparable damage to the country that makes a fetish of either. We spoke last week of the injury done to Great Britain by the ignorant worship of a false Free Trade, so we may be accepted as impartial when we discuss the similar damage done to the United States by the equally senseless worship of the demon of Protection, when raised to the level of a cult.

We have more especially spoken of China in this connection, but China is not the only country that teaches the same lesson. Mr. TAFT finds that the American trade with the South American people shows precisely similar signs, and his proposed panacea is to largely subsidise a line or lines of steamboats to carry American goods to the River Plate. As GLENDOWER's scheme of calling spirits from the vasty deep was met by HOTSPUR's rejoinder:—"But will they come when you call them?" We may well ask Mr. TAFT:—"Will his American goods go on board when his steamers are ready to receive them?" It seems far more likely, if the subsidy be large enough to afford cheap freights, that the holds will be found full, not of American, but of English and German goods. The reason does not require the wisdom of a SOLON or a SOLOMON to unfold. England and Germany take enormous quantities of South American produce, and the goods are in payment for this. The United States, which take no man's produce willingly, find the foreigner has given nothing that requires payment. She has blocked, in fact, the outlet for her own commerce; and this, and not any dislike to her goods, is the sole reason why he refuses to deal with the American merchant, hustle he never so charmingly.

Colonel Seely stated in the House of Common, last month that out of the 5,361 Chinese who, according to the Chamber of Mines figures, remained on August 31, 2,164 sailed from Durban on September 21, and a further shipment of about 1,300 will take place on or about December 9. The Secretary of State is not aware that any delay has occurred in the shipment of Chinese on expiration of the contract period.

THE PORTOLA FESTIVAL.

(*Daily Press*, October 19th.)

For many months past the citizens of San Francisco have been engaged in preparations for the opening to-day, of "the greatest carnival in history," which is to cost the community two million gold dollars. The announcements tell us that the festival, which will last four days, is being held to celebrate the discovery of San Francisco Bay by GASPAR DE PORTOLA and a little band of warriors in November 1769, but (as our American friends would say) just why this discovery is being celebrated on the 19th day of October, 1909, we do not know, except it be merely an excuse to draw the world's attention to the fact that San Francisco, which suffered so terribly by fire and earthquake a few years ago, has now been completely rebuilt. Thousands of tourists from all parts of the world are expected to be in San Francisce during the festival. An international fleet of warships will be in the Bay, among them being H.M.S. *Bedford*, detached from the China Squadron, and the Japanese cruiser *Idzumi*. The central feature of the carnival will be a representation of DON GASPAR'S entry into the city with his soldier band, and there he will, for the first time, meet his royal consort, "the Queen of Beauty," who has been selected by popular vote from among two thousand ladies.

The expedition which led to the discovery of San Francisco Bay was organised in Lower California in 1768 by Don JOSE DE CALVEZ, Visitador General of Spain, at the request of Don CARLOS FRANCISCO DE CROIX, Viceroy of New Spain. Its object was the fortification of and establishment of missions at the ports of San Diego and Monterey. Don GASPAR DE PORTOLA, captain of dragoons in the regiment of Spain, was given command of the expedition and appointed political and military Governor of California. The expedition was broken up into two land and two sea divisions. The plan of the expedition was for all four divisions to start at different times for San Diego and then make that place a base of supplies, from which the expedition would go north to Monterey. The sea divisions started first, the *San Carlos* leaving La Paz January 9, 1769, and the *San Antonio* starting out February 15. The first land division, on horseback and in mule teams, left Velicata, March 24, and the second division, also on horseback and in mule teams, followed under Don GASPAR in person. Father JUNIPERO SERRA, one of the noblest characters in California's history, was with the second division. All four divisions arrived in San Diego as planned, but many of the men on the ships were suffering from scurvy, of which some died. The second land division, under Don GASPAR, arrived in San Diego June 29. Then one of the ships sailed for Monterey with supplies, while the hardiest members of the land forces joined in one band under the leader of the expedition and started north for Monterey in mule teams and on horseback. By some mischance they passed Monterey, and in October 31 came within sight of Point Reyes, when they realized their mistake. Instead of turning back Don GASPAR decided to explore Drake's Bay, which was just below them as they were encamped in San Pedro Valley. The band with their intrepid leader passed over the mountains to the right of San Pedro Vailey, looking north into the Canada de San Andres, and saw from there the bay of San Francisco, to which they journeyed.

From that period till 1831 the settlement continued to flourish under the Spanish, and latterly under the Mexican Government; but the disturbances which then agitated the country drove away the Indians and reduced the settlement to ruins. A new city was founded in 1839, but the population in 1845 did not exceed 150. Numerous settlers from the United States began to flock there, even before California was ceded to that country in 1848. A new era had opened for San Francisco in the previous year with the discovery of gold. The inhabitants deserted the city for the diggings; trade was at an end, and all business seemed to have ceased. But only for a very short time. News of the discovery of gold brought to the district eagar crowds of emigrants, the harbour became thronged with ships, and San Francisco suddenly became a thriving place. Building operations began on a large scale, the value of property rose rapidly, and within a year the population had risen to more than 15,000, and five years later it had risen to 60,000. Gold was exported from San Francisco in the Fifties at the rate of ten million pounds sterling annually, but in a few years San Francisco began to rise above the condition of a mere landing place for gold diggers; the surplus population of the mining camps began to turn their attention to the agricultural wealth of California, with the result that the trade in gold soon began to form a smaller proportion of the whole trade of the place. What has chiefly made San Francisco, says an American writer is the fact that California is an empire in itself. "Its resources are incredibly varied and abundant. It is pre-eminent in fruits and wines of many sorts. It is twelfth in wheat production. In gold it is second only to Colorado, with $16,000,000 a year, and in silver, third among the States, with $18,000,000. Over 125,000,000 gallons of petroleum were shipped from San Francisco last year. It also has tremendous outputs of lumber, fish, wool, live stock and produce. Its inhabitants in 1900 were about equal to the combined population of Oregon, Washington, Idaho, Nevada, Arizona and New Mexico. A few years hence our Pacific Coast will include at least four cities of the first class. At San Francisco, let us say, will be the New York of the Pacific Coast, at Seattle its Boston; at Portland its Philadephia, and at Los Angeles its Baltimore." That the people of San Francisco have a stong faith in the destiny of their city is evidenced in the rapid re-building of the city after the terrible earthquake and one of the main objects of the Portola festival which opens to-day is doubtless to innoculate with that faith the thousands of people who will be visiting the city this week, not only from the other States of the Union but from all parts of the world.

ANARCHIST PROPAGANDA.

(*Daily Press*, October 20th.)

Anarchy, whether as a very abstract ideal or as a terrible reality, represents a state of society which in Britain, despite its freedom-loving instincts, has always been particularly abhorred, and it has been an accepted axiom that anarchism could not flourish in a country where so much personal and political liberty was enjoyed. The Continental countries not blessed with the same free institutions which are the proud heritages of the sons and daughters of Britain were regarded as the only places in Europe where anarchism could be expected to develop under favouring conditions, but it must make us pause when we read that an anarchist demonstration, attended by about ten thousand people, has just been held in London. And pausing, we reflect that that meeting was not composed of the proletariat, the howling mob who are always eager to take advantage of any occasion to

make an attack against the property and money interests of the nation, but among the number were those who aspire to be leaders of men. According to Reuter, violent speeches were delivered by Socialist members of Parliament and it is that, together with the fact that so many unenlightened sympathisers with a would-be regicide and an unscrupulous political agitator attended the demonstration, which gives an undesirable significance to the news. It shows that even in Britain anarchy has gained many adherents. Few readers, we venture to think, will contemplate such a contingency with equanimity. It is suggestive of all that is obnoxious to those who have learned to appreciate the personal security and the political liberty enjoyed by the British subject, and it is particularly regrettable that these privileges, or rather rights, should be abused in such a manner. The student of events in Europe cannot fail to be impressed with the wave of economic and political unrest which is passing over the Continent. The voice of discontent is always loud in Russia, Germany has had a constitutional struggle of some importance, the Balkans have again been the scenes of disturbances, France and Sweden have been convulsed with strikes which almost paralysed the industry of each country, Spain and Portugal have attracted the eyes of Europe by the fierceness of their domestic troubles, and Greece is at present passing through a period of great anxiety Britain is no exception. While the antics of the suffragettes have excited the contempt of onlookers at home and abroad, the speeches and actions of irresponsible members of Parliament belonging to the Socialist group have fomented sedition and created trouble, but what is infinitely worse is the truckling of the responsible members of Government to the ignorant masses, as is borne out by the plundering proposals of the present Chancellor of the Exchequer. The Budget is not merely an attack on the property and money interests of the country but it is an attack on the liberty of the subject, and as such it is to be deplored. It tends to set class against class, and so long as a Government is allowed to pursue that policy so long will it be a recruiting agency for that state of lawlessness and political confusion represented by the term anarchy.

THE TYPHOON.

(*Daily Press*, October 20th.)

Writing before the typhoon has spent its force, it is impossible to speak with definiteness as to its effects, but up to a late hour last night there was justification for a feeling of optimism that the storm had not been responsible for any terrible toll of human life, such as has been too frequently associated with the dread visitant, or any great destruction of property. Indeed the feature of yesterday's typhoon was the practically complete absence of reports as to casualties or damage to property. Of course a few hours may bring forth accounts of fatalities by land and sea, but at present there seems good reason for giving vent to a feeling of satisfaction that all is as well as can be expected in the circumstances. This happy state of affairs is undoubtedly due to the timely warnings given, and, though various interests in the community may have occasionally felt aggrieved by what they considered the overcautiousness displayed by the Observatory, the public have every reason to feel indebted to the institution for the service it has rendered on the present occasion. A correspondent complains of the manner in which the signals at the Peak have been handled, but that is a local matter, and a very little attention should ensure a correct interpretation of the typhoon warning. Seldom indeed have the preparations to meet the storm been so complete. Afloat the big steamers made ready to meet the gale by getting up steam to keep them from dragging their moorings, and while a number felt confident in their ability to weather it in the harbour itself, others sought an anchorage at Kowloon Bay or at Stonecutters. The native craft blackened the waters of Causeway Bay and Bowrington Canal, and not a single mishap among the hundreds has been reported. Ashore householders took the usual precautions, with the result that nothing more serious than a few broken windows or damaged jalousies is to be chronicled. Therefore it will be apparent from the information available yesterday that the typhoon was the least destructive which has passed over the Colony for years.

THE CANTON RAILWAY FUNDS CASE.

(*Daily Press*, October 21st.)

The conviction of BUTLER WRIGHT on a charge of misappropriation of railway funds is certain to receive a great deal of attention from the Chinese Press, more especially because of the somewhat acrid controversy which took place six months ago regarding the terms on which a German syndicate lent to China the capital for the construction of the Tientsin-Pukow line. British financers held that those terms did not insure the honest administration of the railway funds, and the Kowloon terms were represented as being the only terms on which money could with absolute safety be lent. The moral which will be drawn from the prosecution and conviction of BUTLER WRIGHT will, of course, be that it completely knocks the bottom out of the contention in favour of the superiority of the Kowloon terms as affording the only guarantee for the proper adminstration of the loan funds. We do not ourselves adopt the view that the prosecution has weakened this contention; rather may the contrary be argued. It has struck us, as doubtless it has struck many others, as being rather singular that though it was the money of H.I.M. the EMPEROR OF CHINA that WRIGHT was charged with having fraudulently misappropriated, the prosecutors were not the Chinese Government, but the Corporation which lent the money to the Chinese Government. The Managing Director, H. E. WEI HAN, showed some reluctance to associate himself with the prosecution and we think it may be regarded as at least doubtful whether a prosecution would have taken place had the decision rested entirely with the Chinese authorities. The extremely plausible explanation which WRIGHT offered in the witness-box was one which, it is not difficult to believe, would have been accepted by the Chinese authorities, if he had been called upon for explanations of features in the accounts which seemed unsatisfactory and suspicious. Here, so far as the Court proceedings showed, was a highly capable accountant with thirty-four years' experience, mostly in very responsible positions—a record which any Corporation or Government might have accepted as a guarantee that the man selected to fill a position of the highest trust and responsibility was worthy to enjoy the fullest confidence of his employers. They, in fact, did place implicit trust in his integrity and honour, for he was entrusted with very large sums of railway money which he told the Court he had banked, for plausible reasons, in his own name, on his own initiative and without reference to anyone, and though two of the three accounts he had at the bank were earmarked as railway accounts, they were under his sole control. A man of his experience and occupying the responsible position he did should have known better than to have used any part of the money intended for railway purposes to finance private business of his own unconnected with the railway, and even while we may credit him with having had no intention of embezzling these funds, the fact that he did actually use them for his own private enterprises was a criminal breach of trust, which undoubtedly exposed him to the charge of fraudulent misappropriation of which he was convicted by an impartial jury, and for which he has been sentenced to two years' hard labour. He claimed that at the time of his arrest he was in a position to refund the whole of the money he was charged with having misappropriated, and he specified the funds and the property belonging to him. All that the presiding Judge in his charge to the Jury was able to say on this point was that no evidence had been adduced to prove that the prisoner had got these ample means to pay the railway money back. If that consideration weighed greatly with the Judge, it is to be regretted that his Lordship did not invite the prisoner to substantiate the statement he had made by the production of evidence, the bulk of which apparently would have been immediately available. The prisoner's defence certainly went far to reduce the gravity of his offence, and while he was undoubtedly guilty of what the law regards as fraudulent misappropriation, and therefore liable to punishment, we think the Chinese critics who cynically referred to the case while it was *sub judice*, expressing, as Dr. MORRISON cabled to the *Times*, their undisguised satisfaction that a British railway accountant had been arrested on such a charge, should note the fact that it was not clearly established at the trial that the railway funds so misappropriated would have been permanently lost, had WRIGHT been asked for an explanation before steps to prosecute were taken. While the prisoner was properly convicted of misappropriation, yet, in view of the deductions which have been drawn by the Chinese Press, in order to establish the contention that there is nothing to choose between foreign and Chinese control of the accounts, it seems desirable and necessary not only to lay stress on the prisoner's disclaimer of any intention to rob, but also on the fact that the case shows clearly enough the eagerness of the British and Chinese Corporation to protect the Chinese Government from any possible loss through the dishonesty or negligence of a servant. It is important that this aspect should not be overlooked when there is so much talk of the case being a blow to British prestige in China.

BRITISH EMIGRATION TO THE COLONIES.

(*Daily Press*, October 22nd)

Among the many important matters which engaged the attention of the Congress of Empire Chambers of Commerce recently held in Sydney was that of British emigration. Sir ALBERT SPICER, the President, moved a resolution of the London Chamber in the following terms:—"That the settlement in adequate volume of the Anglo-Saxon race in British Dominions is deserving of the constant solicitude of the Home and Colonial Governments, who are hereby urged to consider what further or better steps than those at present existing can be taken to

elaborate a general State-aided scheme at reduced rates to encourage emigration of suitable settlers under well-considered conditions." There can be no doubt from this carefully-worded resolution that the London Chamber of Commerce is awakening to the fact that the question of emigration to the Colonies has not received the consideration or the support that is due to it, whether regarded as a solvent of labour troubles at Home or as necessary for the development of the Colonies and their preservation as essentially British domains. The latest statistics we have at hand show the density of the population in England to be over 600 persons to the square mile, whilst the densities of population in the North American Colonies, Australasia, and South Africa were 1.5, 1.6 and 7.0 persons to the square mile, respectively. Only one-sixth of the South African population are Europeans. These facts alone show how desirable it is that everything possible should be done to encourage the surplus population at Home to overflow into the Colonies, where there are almost limitless resources awaiting labour to develop them. Yet the monthly Board of Trade returns indicate that emigration from England to the principal Colonies is this year on the decline rather than on the increase. There would appear to be several reasons why this stream of emigration is so small and so retarded, and they should have, as the resolution expresses it, "the constant solicitude of the Home and Colonial Governments." One direction in which the Governments can do good work is in finding the type of men required, and then sending them out under organised supervision. The appearance from time to time in Canadian papers of advertisements for assistants, with the intimation that "No Englishmen need apply," is not due to a rooted objection on the part of the Canadians to Englishmen as such; in fact, many of those who are most against employing Englishmen have only been in the Dominion a few years themselves; the objection to Englishmen as employees is due to experience with them in that capacity. For example, a young Englishman emigrates to Canada filled with a sense of his own importance and anxious to let everyone know he is "not a Colonial." Then he wants to find a job exactly similar to what he has been trained to at Home, and assuming he is successful he finds things are not done there as they were done in the Old Country! He wants to introduce his own method, forgetful of the fact that the method in the Colony has been built up on experience of the Colony's requirements. We all know that once these insular prejudices are overcome he becomes a competent and usually successful Colonial, but in the initial stage many fail and much prejudice against the new emigrant is created. It would be a valuable feature if the Home Country could in some manner bring home to intending emigrants the importance of adapting themselves to the new country from the beginning. Another feature of non-success in emigration has been the drifting of English mechanics and journeymen into Colonial towns where their particular trade already has a surplus of workmen. The best type of emigrant is the man who is prepared to turn his hand to any honest labour. If he cannot find immediate employment at his own trade he will take up something else until he feels his feet, or, as they say in Canada, "make good." What is required is some organised means of communication between the Colonies and the Home Country as to the number and class of men wanted from time to time, so that suitable men can be selected and sent out. Perhaps, the most important of all branches of Colonial enterprises is agriculture, and this is what the average English emigrant is most ignorant about. Let the Governments then show a little enterprise and train for a short time the thousands of men who desire to emigrate so as to make them useful to the Colonial farmer. Farm Colonies could be run by the Home and Colonial Governments, and the men, after being well initiated into the work, could be drafted out to the various districts where they would gain further experience and finally have an opportunity to become small settlers themselves. The cost would be small compared with the inestimable benefits which would accrue from such undertakings. A full tide of emigration on an organised scientific basis would prove a great benefit to the people emigrating, the Home Country and the Colonies, and the resolution passed at the Sydney Congress is one which deserves to receive the fullest consideration in the proper quarters.

CHINA AND FOREIGN CAPITAL.

(*Daily Press*, October 23rd.)

It is curious to observe how all the world, with the solitary exception of China, feels grateful when British financiers offer to come to their assistance with loans for the construction of the Railways. But a few weeks ago we spoke of how very different was the action of Canada, when certain English and New York capitalists offered to build a line to connect the new Grand Trunk Pacific Railway with Hudson's Bay, with the intention of subsequently connecting the new port to be opened on that Bay with Europe. The last instance in point is Russia. Lord REVELSTOKE, partner in the great banking firm of BARING, BROS. and Co., and a director of the Bank of England, has been investigating the financial position of that Empire, and is so well satisfied that he is willing to advance, with proper guarantees, money for the completion of Russia's system of railways. The most remarkable thing about the proposal is, not that it has been made, but that it has been looked upon with favour, almost approaching to gratitude by Russia, even with the accompaniment of requiring proper care and supervision, which Lord REVELSTOKE has been careful to include in his proposal. With this we may again compare the recent attitude of China when similar suggestions were made to assist her financially in the construction of those lines, which both nations alike see to be necessary for their well-being. British financiers have, in fact, being offering capital to China on even lighter terms than Lord REVELSTOKE suggests on the part of Russia; yet the suggestion from which China has turned away, with her nose in the air, is one which any other nation on the face of the earth would accept with an alacrity almost amounting to gratitude. In matters of finance Russia and China are not in any important matter in a different position: both countries are rich in natural resources, which in neither have been fully or wisely developed; in both capital is in a stagnant condition, and there is not sufficient to float such huge undertakings as are needed for the completion of their railway systems. Before 1689, when PETER THE GREAT assumed control of the Empire of Russia, the country can hardly be counted as having entered the category of civilised States, and was in all things behind the China of the age. PETER devoted himself to the raising of his country out of her lowly estate. This he saw could not be done unless he were content to metamorphose the entire system of government politically and financially, and recast it on the lines of the more advanced European States of the period. To fit himself for the huge task he rendered himself a wanderer for many years, and did not disdain to assume the character of an ordinary mechanician, and work with his own hands in the shipyards of Europe. When finally he returned to his Empire he took with him a large *entourage* of skilled officials, to whom he allotted the task of reforming the various departments over which he had placed them.

PETER was wise enough to see that unless he gave his confidence to the men whom he had so far trusted, his efforts with the country at large would be in vain. As soon as he had found his foreign officers were trustworthy he gave them each full control, and his confidence was in nearly every instance amply repaid; for not only did these foreigners for the most part throw in their lot with their new country, but their descendants to the present day are in many cases to be found in occupation of the highest posts in the government. This was, in fact, the distinguishing feature of PETER'S great scheme; and it was this that enabled him to transform the but half-civilised realm of Muscovy into the modern Russia. PETER'S contemporary in China was her greatest monarch, KANG-HI, and China was in those days, infinitely in point of all that makes a nation great, in advance of her now great northern neighbour. Russia, it is true has not had another PETER THE GREAT, and her career has been a chequered one; still she has never been cursed with sovereigns such as KIA-K'ING or HIEN-FUNG, nor has she ever fallen into such straits as has China of the present day. Through the force of circumstances rather than from any designed plan on the part of either China or any of her foreign friends, China after the capture of Shanghai by the rebels found herself rescued from dissolution by the timely assistance of a few foreigners. With no far-sighted policy in view, but merely to fill a temporary gap, the foreign Consuls in Shanghai put the Custom House in commission, and this being found to act beneficially for China, the Foreign Inspectorate has lasted up to the present with enormous advantage to China, who now for the first time found herself in possession of a source of regular revenue. At the same time she was glad to employ an American soldier of fortune to put down a rebellion that was eating into her vitals, and which had it not been for WARD'S early assistance would in a few more months have utterly destroyed the Empire. WARD, the soldier of fortune, unlike many of the type, was true to his salt, and died fighting China's battles. His successor proved of a different calibre and it would have gone hard with China had not the British Government placed at her disposal the services of Major GORDON, afterwards General, one of the most promising of her rising officers. China had thus the opportunity, had she acted honourably, of without any loss of prestige pulling her shattered Empire together, and restoring herself to the same high standard that she occupied under her great sovereign KANG-HI. How did she treat these men? Did she, like Russia place confidence in them, and give them the complete control which is necessary for the due discharge of their functions? Quite the contrary; from the moment of their taking office they each and every one found themselves marked subjects of suspicion; their juniors were set to spy on them, and it was considered an act of patriotism to cross them in every direction. We may quote the treatment of Colonel GORDON, whom the Government thought, after the insult of the beheading, of the Wangs it could appease by

a *doceur* of ten thousand taels. We may uote the cases of Admiral LANG, and morey ately of Mr. KINDER, who had sought to purify the management of the Northern Railways; and more recently we may mention the constant attacks and suspicions under which Sir ROBERT HART has lived during the whole time of his Inspectorate. This it is, and not any defect of the men themselves, that has prevented the work of any of them from being effective in raising up a class of native fellow-workers, who would have been able of themselves to drag China out of the abyss of corruption in which she now finds herself.

What is now the cry of the few men of worth and ability who are striving, but with little effect, to find men to take the lead in the Government of the Empire? It is always the same; they are not to be found. No one, in fact, knows where to look for them; the REGENT offers rewards, but like DIOGENES, search he ever so carefully, the honest man keeps away from sight. Honesty, he finds, does not comport with present conditions of government, and distrust and falsehood have possession of the land. This is one of the causes, and not the least, that is leading to the present anti-foreign campaign, The foreigner, like ARISTIDES at Athens, finds his ideas of right and wrong offended at every turn, and, like the old Athenians; the China of to-day resents the presence of the man who would bring their backslidings to the light of day. So, like ARISTIDES, the foreigner has to bear the penalty of being ostracised. This is the true cause of China's exception to foreign control of her railways, —not what she would like to present it as— the national desire to have restored her "Lost Rights," rights that China has never at any time been in a position to acquire.

RANDOM REFLECTIONS.

And Mr. Justice Gompertz is promoted to the office of Acting Chief Justice. If he earns as many good opinions in the more exalted office as he has done in the short time that he has been Puisne Judge no one who knows him will be surprised. But who is to act in the position which he vacates for a time?

* * *

The regrettable incident in the career of the chief accountant of the Kowloon-Canton Railway, which has been generally known as "the railway sensation." has ended in sentence of two years being passed on Mr. Butler-Wright. It is particularly regrettable from all points, not the least being the blow which it deals to the good name of Britain in the East.

* * *

Now that the more vigorous games have commenced for the season, isn't it time that the Colonial Authority had made their allocation of the grounds for sporting purposes at Causeway Bay? The junior c ubs are anxious to know their fate in the matter.

* * *

Man plays many parts in his time, but who ever thought of seeing the Colonial Secretary riding a circus pony?

* * *

It looks as if the Gymkhana officials recognised they were at the end of the season when they sought to stimulate jaded appetities by introducing "fool pidgin" events. It was too funny to see the ladies trying to knock down a doll with a number of sticks, and anyone who saw the exhibition will be confirmed in his old belief that a woman cannot throw straight. I heard it insinuated that a prizewinner was favoured in that a rival knocked down the doll she was not aiming at. I don't believe it myself but I give the yarn for what it is worth.

* * *

Mr. Dupree deserves to be complimented for his pluck in mounting the elephant which was entered for the last race at the Gymkhana on Saturday. The animal may have been docile, but it was disquieting to have the trunk flourishing round, and the rider might well have been forgiven if he had hesitated to get on its back. When he did reach its back he found the seat behind the elephant's ears anything but comfortable and it is certain he would not enjoy his ride as the animal took him to the starting place. Still, he deserves well for having provided us with a novel spectacle.

* * *

I forgot last week to mention a remarkable coincidence which took place a few days before. In honour of the naval wedding which was celebrated recently lights in the shape of two hearts shone from the *Tamar*, but when they were taken down their place was occupied by the three green lights which indicate a storm a certain distance away. I am certain it was not prophetic, though, as I have said, the coincidence was remarkable.

* * *

The usurer has excited scorn from time immemorial. The Bible condemns him, Shakespeare holds him up to ridicule, and the populace always despise him where they do not fear h m. In Hongkong he is unfortunately too well known, but seldom do we hear of such a tale of extortion on the one hand and simplicity on the other as was told in the Supreme Court the other day where a man who had borrowed $100 from one of these Shylocks found after paying $270 in interest that he still owed $250. Happily for the borrower, he was taken to court. Otherwise he might have continued his payments without getting out of the terrible entanglement in which he had placed himself. It seems unfortunate that the law should assist such unscrupulous moneylenders.

* * *

A paragraph appeared in the Press the other day relating the collapse of a "prehistoric dispatch box," as it was termed, during practice for the Fire Brigade review to be shortly held before His Excellency the Governor. The incident was regarded as unfortunute, but what would those concerned have felt like had it happened during the review itself? Yet methinks it might have been well if it had, because then the Governor would have seen for himself how much was needed to bring the Brigade up to date.

* * *

When the subject of warning householders as to the disposal of refuse was under discussion at the Sanitary Board one member remarked that the rubbish should be taken away from the doors of householders because entertainers would not like their guests to drop into them. From what I know of Hongkong there is more likelihood of that happening after dinner.

* * *

At a fête held in an English town a prize was offered for the most miserable looking bachelor. It suggests ideas for Hongkong. The period of the annual exodus is not far off and if the Horticultural Society or some fancy fair promoters were to offer a prize for the most discongolate grass widower it might attract the curious. It would be interesting to see how well the men could disguise their feelings.

RODERICK RANDOM.

HONGKONG.

A European case of diphtheria was the only case of communicable disease reported in the Colony last week.

His Honour Mr. H. H. J. Gompertz has been appointed acting Chief Justice during the absence on leave of His Honour Sir Francis Piggott, or until further notice.

His Excellency the Governor has promoted second lieutenants L. C. Rees, W. Russell and J. I. Andrew to rank as lieutenants in the Hongkong Volunteer Corps.

A lukong who deserted from the force in February last was discovered at Wanchai and duly appeared before the Magistrate on Oct. 21 He was fined $5 .

The Yaumati police have been smart in recovering all the property stolen during a burglary there last week. The thief, who gained entrance to a house in Mongkok by a scaffolding, took away jewellry and money to the value of $173. That has been recovered and the burglar arrested.

Owing to the insecurity of the Sanitary Department buildings the office staff have vacated the premises for new quarters in Des Vœux Road.

The fire brigade were called out twice on Tuesday morning, once for a fire in Cochrane Street, and once for an outbreak in Wellington Street. In each instance, however, the fire was extinguished before their arrival.

The King's exequaturs empowering Mr. T. Funatsu to act as Consul for Japan at Hongkong, and Mr. C. Frérant to be Consul-General for Chili at Calcutta, with consular jurisdiction also over the British Colonies in Asia, have received His Majesty's signature.

A Quarry Bay man who had a gambling quarrel with several other men was threatened, or thought he was threatened, by the others, and to protect himself on the way home he stole a bar of iron from the shipyard. Mr. Hazeland on learning the circumstances discharged the prisoner.

With the approval of the Secretary of State for the Colonies, H.E. the Governor has been pleased to appoint Dr. H. Macfarlane to be Government Bacteriologist. We understand also that the Secretary of State has approved of the appointment of Dr. J. W. Hartley as a permanent member of the Government Medical Staff.

Warships in the harbour were decorated on Oct. 16th in honour of the anniversary of the birthday of Donna Maria Pia, the grandmother of the present King of Portugal. The Portuguese community celebrated the occasion with a dance at the Club Lusitano while at Macao an official dinner was given in Government House and the public buildings were illuminated

Mr. F. O. Day, of 10, Seymour Terrace, reports to the police that during the past two weeks someone has stolen from a box in his house eight large and eight small blankets, on several of which the name "Day" was sewn. A gold matchbox is also missing. The total value of the articles stolen is $175. The servants are suspected.

Two native waiters from the Hangfalau, a Chinese restaurant, appeared before Mr. J. R. Wood at the Magistracy on Oct. 20 on a charge of disorderly behaviour. It appeared from the evidence that the defendants partook of too much samshu, and then threw cups and bowls at one another. His Worship imposed a fine of $3, and bound the defendants over in the sum of $100 to keep the peace for six months.

A story is being told at the expense of three native entertainers in Hongkong, and to the discredit of those who duped them. They had been invited to contribute to the pleasure of three Portuguese and when they were about to take their departure they were handed by the host what purported to be a cheque. Next morning they took this to a local bank, where the clerks smiled and said the instrument was not negotiable. The cheque was one of those original new year greetings drawn on the "Bank of Good Luck. Hongkong Branch," and the order was to pay to the "happy trio" and family or bearer one thousand good wishes for a bright and prosperous New Year. The figures "1,000" which stood in the corner were crossed and $50 inserted. There was also a stamp bearing the letters "one year."

Another old Portuguese resident of the Colony passed away early on Tuesday morning, at the Government Civil Hospital, in the person of Mr. Augusto Cæsar Botelho, who for the long period of thirty-seven years has been in Government service as a clerk in the Harbour Office. He joined as fifth clerk in 1872 and reached the position of first clerk in 1905. Mr. Botelho, who had been ailing for some time, was taken seriously ill in his office on Monday and was conveyed on an ambulance to the Hospital, where he rapidly sank and expired, as before stated, early on Tuesday morning. The news of his death has been received with deep regret not only by the Portuguese community but by the large circle of acquaintances which he has made during his long connection with the Harbour Office. Deceased was buried in the Catholic Cemetery at Happy Valley on the 20th inst., the staff of the Harbour Department and many friends following his remains to their last resting place.

A lady residing at 9, Castle Road informs the police that on Thursday evening she left her handbag in the hall. It contained a hundred dollar note, and when she went to find her bag she discovered that both had gone. One of the servants is suspected.

When the case of On Hing Tai against W. D. Radburn, claiming $55.92, was called at the Supreme Court on Oct. 15, his Lordship said he had been informed that the defendant was in hospital with a broken arm and the case was adjourned for a fortnight.

An armed robbery took place in the early hours of on the 15th inst at Wong Nai Wu, between Yaumati and Kowloon City. Eight men armed with revolvers and choppers entered the house of a gardener and, after threatening the inmates, broke open two boxes containing, $80 and took away other articles which brought the total value of their haul up to $94.

A Triad Society dispute led to a big fight at West Point on Wednesday, when about thirty men were engaged in pummelling each other. Three were arrested, and on being brought before the Magistrate yesterday one was discharged, one was remanded and one was sentenced to one month's imprisonment.

Mr. Shelton Hooper prosecuted two chair-coolies at the Magistracy on Oct. 22 for refusi ing hire. The chair was opposite the Club when Mr. Hooper observed it and when he called for it the coolies moved away with the chair. He followed and eventually ascertained the number of the chair. Mr. Hazeland imposed a fine of $15.

A Chinaman either fell or jumped over board from the steamer *Sui Tai* on Saturday afternoon just after the vessel had passed Green Island. The young man was observed by an American missionary to rise to the surface and commence to swim. The alarm of "man overboard" was given, the ship turned round, and a life-boat manned and slung out in readiness to enter the water on the man being seen again. By this time nothing could be seen of him, and the ship after a delay of a quarter of an hour or twenty minutes proceeded on her voyage.

A BANKRUPT PROSECUTED.

At the Magistracy on Friday S. E. Allana, of 55, Hollywood Road, was charged by S. A. Marican, of the cycle depot, Des Vœux Road, for having on May 1st, then being in the employ of complainant, embezzled a gold watch and chain; on May 15th, a sum of $250; and on Aug. 25th obtained a ticket for Calcutta by a false pretence.

Mr. P. W. Goldring, who prosecuted, asked for an adjournment, as the case was likely to last a good while.

Mr. F. P. Hett, for defendant, said he would agree to an adjournment if his friend consented to reasonable bail. It must, however, be small, as defendant was a bankrupt and had no friends.

His Worship (Mr. Hazeland) asked what sum defendant could put up.

Mr. Hett—I think, your Worship, we can get $500, but not more. I may say there is no chance of his going away. He is assisting the Official Receiver in matters in connection with his bankruptcy and certain prosecutions which are to be taken, and he will not go.

Bail was fixed at $500 and the case was remanded until Friday next.

ACCIDENT TO THE "ERNEST SIMONS."

M. de Champmorin, agent in Hongkong of the Messageries Maritimes Co., communicates the information that the mail steamer *Ernest Simons* on her outward voyage to China sustained damage on passing Suez Canal, and is detained at Suez.

An invitation was recently sent by the Chaplain of Holy Trinity Cathedral, Shanghai, to Rev. Cyril ickersteth, of the Community of the Resurrection, Mirfield, to preach a mission in Shanghai, and it is announced that Father Bickersteth hopes to be able to visit Shanghai at the end of February or the beginning of March next.

THE TYPHOON.

COMPARATIVELY LITTLE DAMAGE.

TIMELY WARNINGS PREPARE RESIDENTS.

As alarm after alarm proved false, and as the end of the typhoon season was approaching, many residents were sanguine that the dread visitant would leave us unmolested this year. Our hopes in this respect, however, were not. too promising on Monday when information was received that a typhoon was making direct for the Colony, and they were completely shattered on Tuesday morning when the three explosive bombs were fired from the Water Police Station at Tsimchatsoi, and from the Hrbour Office, indicating that the wind might increase to typhoon force at any moment.

When day broke on Tuesday it revealed a lowering sky heavy with drifting rain clouds, Continuous showers of rain fell, and sharp gusts of wind swept over the Colony, increasing in force as the hours passed by until about one o'clock when Hongkong was assailed with the full force of the gale. Thence on till midnight there were spasmodic gusts, some of exceptional violence. but fortunately they were brief, and in consequence the damage done to property was not so serious as might have been expected.

Early in the morning there was every indication of a stormy day, and many residents of the Peak and Kowloon decided to absent themselves from their offices. Others put in an appearance, but when possible left for home early in order to catch the last tram or ferry. There were those, however, who had to remain, and those who dallied until the last conveyance had left, who found themselves marooned in the city. Of these, the Kowloon residents had no alternative but to seek temporary lodgings in Hongkong, but many of the Peakites preferred, rather than remain in the city, to climb the storm-swept hills to their homes. At 11 a.m. the Tramway Co. were obliged to stop the Shaukiwan service owing to the heavy seas breaking over the bund, and sweeping great rocks on to the tram line. Shortly afterwards, as the storm gathered in strength, the entire service ceased, and the only means of conveyance on the lower levels was by chair or ricsha. Neither of these methods, however, was pleasant, the strong gusts of wind threatening to capsize the ricsha or to tear the chair from the shoulders of the bearers. The Star Ferry ceased running about noon, when the explosive bombs heralded the approach of the typhoon, and shortly afterwards the last tram left for the Peak. s the bombs were fired and the black cross hoisted the barometer stood at 29.36, but in the afternoon it fell to 29.17, the lowest reading for the day.

The Peak, apparently, encountered the full force of the storm, for all communication was cut off early in the day, and the residents of the higher levels completely isolated. As the gusts of wind swept the city there were the usual scenes of flying signboards, of jalousies being torn from their fastenings or branches stripped from trees, and the usual crashing of glass where windows had not been securely fastened. The side channels could not cope with the excessive flow of water which came down from the hillside, and many streets were flooded. On the Praya the seas were breaking clean over the wall and sweeping across the road, and it was not long before the binding of the macadam was washed away, and the thoroughfare became a mass of loose stones.

ALONG THE WATERFRONT.

Icehouse Street was one of the main thoroughfares yesterday, and down this street crowds of spectators wended their way to view the damage wrought by the storm on the harbour and along the waterfront. The first sight to be seen from this street was the Star Ferry wharf minus the matshed, the building having tumbled with the first fierce gusts of wind. Parts of the fender were also torn asunder by the waves, and drifted with buoys which had slipped their moorings and other wreckage in the harbour. The iron structure above Blake Pier, needless to say, withstood the gale, but the lamp post at the end of the pier was bent, and a matshed at the shore end was lifted bodily and dumped near the centre of Connaught Road. Westward, the damage done was slight. The entrance to the rubbish tip on the way to the harbour office had been blown down, and the tip being fairly full the rubbish was strewn thickly across the street, and emitted a very offensive smell. The Harbour Department bamboo wharf and covering had been entirely swept away, and a number of the smaller piled wharves swayed dangerously as wind and wave lashed agatinst and threatened to demolish them. The French steamers' wharf was damaged a the, shore end, and the houses on either side took a considerable list. Harmston's Circus tent at Kennedy Town had been taken down early, and the animals and effects of the circus were conveyed to safe quarters before the storm broke.

Eastwards the scene was the same. The sea flooded the roadway and inundated the low lying premises at Wanchai but little damage was done. The Corinthian Yacht Club lost its wooden jetty, with the matshed thereon, both being washed away early in the afternoon. None of the yachts were exposed to the elements. Floating timbers suggested that some craft had come to grief but in most cases they had drifted from one or other of the ship-building yards on the waterfront. Bowrington Canal gave shelter to a number of sampans but the bulk of the native flotilla was found at Causeway Bay.

ON THE HARBOUR.

Fortunately the timely warning of approaching danger prepared seamen and boat-people for the coming storm. Junks and sampans lost no time in putting into shelter, while early in the morning the river steamers and launches sought safe anchorages behind Stonecutters Island or in other favourable parts. Thus it came to pass that when the typhoon overtook the Colony the harbour was practically deserted, only the larger steamers and a few sailing vessels remaining at their anchorages. The sailers were secured by cables, while the steamers ran out two anchors and steamed against the gale. In the afternoon two of the sailing vessels and the Portuguese cruiser *Dona Reinha Amelia* dragged their anchors slightly, but it was not expected that they would be in any danger before the storm ceased. A pinnace from the Austrian cruiser *Kaiserin Elisabeth* was overtaken by the typhoon before she could return to the cruiser, and the bluejackets aboard of her had an anxious time. The pinnace was lying alongside a Hongkong wharf when overtaken by the storm, but the officer in charge of her decided to make an effort to return to the warship. This, however, proved unsuccessful, and the little vessel was headed for the Naval Yard camber, which she reached in safety.

The German mail steamer *Luetzon* was expected to arrive from Shanghai yesterday morning, but as she did not put in an appearance it was thought that she had been encountered the typhoon. Information was received later in the day to the effect that she had put into Junk Bay until the storm passed. Prince Hsun, who was a recent visitor to Hongkong, is a passengers for Europe by this steamer. The *Prinzess Alice*, on her voyage out, was also sighted yesterday, but as she did not come into port it is expected that she turned and ran before the gale.

MISCELLANEOUS.

A rumour was current that the bodies of several Chinese were seen floating near West Point, but the Police could not confirm this.

The Hongkong Football Club were again unfortunate, their grandstand being once more raised to the ground.

The Emergency Volunteers were not conspicuous. Of course it would have been practically impossible to have done anything at certain stations while the storm was at its height, but if the Volunteers were animated by a sense of duty they would doubtless have taken up their allotted stations. At Wanchai a praiseworthy member of the brigade stood alene at his post ready for action, and made the dereliction of the others all the greater by contrast.

Thursday.

The impressions formed on Tuesday that the typhoon of that day was not of the severity unfortunately experienced in the Colony before were well founded. Subsequent inquiries showed that the wind never actually reached typhoon

force—its greatest velocity was 75 miles an hour at eleven o'clock on Tuesday night—and with that fact before us it is not surprising that the results are trifling in comparison with previous visitations of the same nature. So far as can be ascertained no loss of life has taken place—at least none has been reported, though the water police have been informed that a cargo boat and three sampans were driven ashore at Tsimchatsoi and wrecked. The rain, which usually accompanies a typhoon, was on this occasion remarkably heavy, there being 10.93 inches recorded in the twenty-four hours ending at 10 o'clock yesterday morning. The tide on Tuesday night was exceptionally high, so high that it was responsible for a number of yachts drawn up on Ah King's slipway being lifted off the slips and tossed in various directions over the yard.

The Peak tramway service was resumed yesterday morning at seven o'clock. The electric trams in town were unable to resume running before ten o'clock, as the lines had to be cleared of debris. The Kowloon ferries started running at six o'clock and the early launches took across the harbour many tired residents who had been stranded. Almost a hundred Kowloonites were detained in the city; many Peak residents also spent the night below, but a large number of the married men braved the elements on Tuesday afternoon and climbed up, but had a very trying experience.

The telephone service has suffered considerable interruption, especially in the upper levels, and many houses have been deprived of their telephone communication. Still, very little damage to property was done. In addition to the losses mentioned yesterday—the destruction of the Star Ferry matshed, the Harbour Department jetty, the Corinthian Yacht Club jetty, the grand stand of the Hongkong Football Club at the Happy Valley—there have to be added to the list the unroofing of Mount Gough Police Station and a landslip at Conduit Road. Kowloon enjoyed the same immunity. There a considerable number of trees were uprooted or denuded of most of their branches, but property as a whole was undamaged.

At Kowloontsai the paddy which was ripe for harvest has been practically destroyed owing to the large area under cultivation having been submerged. A report from the New Territory states that several of the railway matsheds in the neighbourhood of Taipo have been blown away.

At Kowloon city the wharf was damaged and windows were broken in many of the houses.

The police station at Tsz Mui lost part of the roof of the verandah, which was blown off, but at Shaukiwan itself comparatively little damage was done, with the exception of the sea wall and roadway. From the Oil Works to Quarry Bay the road is undermined, large holes measuring in some instances twelve feet long having been made, making the thoroughfare particularly dangerous at night.

A salt junk of 6,000 piculs capacity is ashore at Saiwanho, but no lives were lost. At the entrance to Taikoo Dock a trading junk sank and was afterwards smashed up. The damage is estimated at $1,000.

The body of a man, evidently a boatman, was washed up on the foreshore at Taikoo Dockyard. Apparently he had been drowned during the typhoon.

Teak logs to the value of over $800 drifted from the contractor's place at the Lyeemun Forts.

HARBOUR ITEMS.

The most serious damage throughout the blow occurred on the harbour and along the waterfront. At the Quarry Bay Shipyard the steam launch *Taikoo Shing* was badly battered on the slipway and sank. The Government dredger *St. Enoch* was blown across the bay and washed ashore near the Sugar Works. While the craft was drifting helplessly in the rough sea, a Chinese joiner from the Taikoo Works courageously made himself fast to a line, struck out boldly for the dredger, which he boarded, and succeeded in saving some forty coolies who were aboard at the time. Two junks were washed high and dry on the beach at Stonecutters, three dust boats sank off the Police Station at Yaumati, and two small cargo boats, which were lying east of the police pier at the same place, were badly damaged. The third engineer of the *Hupeh*, which vessel was lying in Kowloon Docks, slipped and fell near the bilges, and dislocated his shoulder. When the gale had subsided somewhat, the doctor from the *Chiyo Maru* boarded the docked vessel and attended to the injured man. A coolie on the same steamer fell down the hatchway and injured his thigh.

Those who remained on board vessels in the harbour had stories to tell of anxious moments and slight damage. The sailing ship *Lyndhurst*, which was lying in the western part of the harbour, dragged her anchors and collided with the s.s. *Hongkong Maru*. The sailer damaged her jibboom and the fittings of her port bow, and also the boat deck and one of the lifeboats on the steamer. The steering gear of the Portuguese gunboat *Patria*, which was lying near Laichikok, was broken. The buoy to which the Government launch *Stanley* is moored broke adrift, but was eventually recovered. A strong gust of wind snapped the ring of the buoy to which the *Miyasaki Maru* was moored, and that vessel went adrift in the height of the storm. Two anchors were promptly run out, however, and the vessel held until the typhoon had passed.

The Captain of the French river steamer *Charles Hardouin*, which arrived in port from Canton yesterday, reported that the wreck of a large junk was showing three cables south of Pillar Point, four feet of the mast being above the water line. There was also a large quantity of wreckage all the way from Tiger Island to Pillar Point, but the bulk of it was in the vicinity of the Taishan Customs Station.

The report issued by the Observatory yesterday mentions that Gap Rock reported full typhoon force from the N. E. on Tuesday as early as 2 p.m., the barometer reading 29.02. The typhoon is believed to have entered the land west of Macao about midday on Wednesday.

EXPERIENCES AT SEA.

All the ships which came into port yesterday, whether from the North or the South, reported bad weather. The *Haimun* reported a strong typhoon at Swatow.

The German steamer *Choising* from Bangkok was in a typhoon from 8 a.m. on the 19th till 8 a.m. on the 20th, the barometer falling to 731.00 at 7 p.m. on the 19th. Heavy seas broke over the ship and caused a good deal of damage. A sailor was washed overboard about noon on the 19th, and owing to the heavy sea which prevailed it was impossible to save the unfortunate man.

The fishing fleet suffered rather badly during the typhoon, and though there are comparatively few losses the vessels have undergone in many instances very severe treatment. The crippled boats are only getting back to port and many lame ducks were seen getting into Aberdeen at the week-end.

The s.s. *Telemachus*, which arrived in port from Saigon on Saturday, brought in a shipwrecked crew of 21 Chinese who were rescued from a disabled junk south of Gap Rock.

LATER.

The French gunboat *Argus*, which went up the Hot Spring river near Macao for shelter during the typhoon, and was carried by the rising waters into a rice-field, is still there, according to latest news. She is 600 yards from the river. The *Vigilante* has gone up to her assistance. Our Macao correspondent mentions the report that the farmer to whom the rice field belongs is asking $7,000 as compensation. A Chinese cruiser has gone up to render assistance. The Portuguese gunboat *Macau*, which got ashore on the bank of the river during the typhoon, was got off at high tide and returned to the harbour.

THE DAMAGE AT MACAO.

Our Macao correspondent writes:—Not for many years has this city been visited by so severe a typhoon as that which passed over it on Tuesday. The typhoon gun was fired at 10.15 a.m., but few people at that time believed that the typhoon would come so close. While the wind blew from E.N.E. not much damage was done beyond stripping the trees of their foliage, turning over the Chinese street stalls and casting down a few old walls.

The river steamers which came in the previous night sought a more commodious and safe anchorage after the passengers had disembarked, and they all appear to have safely weathered the storm.

About 9. p.m. the wind began to veer round to the E. and then havoc was played with property ashore. The matshed over the pavilion in front of the Macao Hotel came down, and so also did the large matshed of the Victoria Cinematograph near the wharves. The road south of Praya Grande was washed away, and the seas dashing up against the houses in the vicinity broke in many front doors and carried the mud and stones of the roadway into the houses. Along the inner and outer Prayas there was about four feet of water, and great damage was done to merchandise in the Chinese shops, Considerable damage has been done to windows and roofs throughout the city, the roof of the Boa Vista Hotel among them.

Afloat, the damage is less than ashore. Only two or three small junks were sunk, and their masts are showing above water.

The new Praya reclamation has suffered greatly, and the repair of the sea wall will be an expensive piece of work for the Public Works Department.

The wall surrounding the military tennis courts is down, so also are the walls surrounding Mr. Herbert Dent's summer house. The wooden benches recently put along the Praya Grande for the use of the public were dashed against houses and walls and reduced to firewood.

Business was at a standstill in the Chinese quarters, on Wednesday, the people being engaged in bailing the water out of their premises and in "cleaning up" generally.

It is remarkable that the electric light wires suffered very little damage. Here and there a pole is down or a fastening torn from a wall, but it will not take long to repair this damage.

A RUSE THAT FAILED.

It is not an uncommon practice among a certain class of Chinese who demand heavy compensation for a slight injury to act the part of the dying man. But when such cases fall into the hands of the police at the Central Station the shammer usually finds it difficult to carry on the deception very long. On Saturday a boy was brought up by three women apparently on the point of death. While Inspector Fenton was attending to some other case he asked one of the European detectives to examine the lad, with the result that the conclusion was formed that the boy was very much alive, despite his apparent sufferings. The women having been ordered out, the Inspector informed the youth that he would have to send for a European doctor, a statement which somewhat alarmed the youth, who raised his voice in loud wailing. Tired of this noise, the Inspector called upon a detective, who, assuming the demeanour of a doctor, examined the boy and gravely marked the place where his right leg would have to be amputated. Of course the the boy promptly declared that the leg was all right, but without paying attention the pseudo doctor indicated in the same manner where an arm would have to be cut. Without waiting for further examination the boy shot out of the room like a bird and wasn't seen again. Apparently his object was to extract compensation from a bricklayer whom he had annoyed by throwing stones at him and who had beaten him. The trick, however, did not work.

A new oil tank steamer for the Toyo Kisen Kaisha has just been launched from the Tatagami slip of the Mitsu Bishi Dockard and Engine Works at Nagasaki. The vessel was named the *Kiyo-maru* and the ceremony of releasing her from the slip was performed by Mr. M. Hara, Superintendent of Toyo Kisen Kaisha. The keel of the *Kiyo-maru* was laid down on March 4th, 1909, and, according to contract, she is to be delivered to the Toyo Kisen Kaisha, for which she is being constructed, in December next. Her dimensions, etc., on completion, will be: Length, 470ft.; Beam, 56ft. 6 in.; Depth, 41ft.; gross tonnage, 9,320 tons; I.H.P. 8,509; speed, 12 knots. Engines, triple expansion (one set single screw). Boiler, four single-ended, Howden's forced draft.

THE BUTLER WRIGHT CASE.

THIRD DAY'S TRIAL.

ACCUSED GIVES EVIDENCE.

The trial of Mr. W. Butler Wright, Chief Accountant of the Imperial Chinese section of the Canton-Kowloon Railway, on charges of larceny of the sums of $13,000, $5,000 and $4,000 money of and belonging to H. I. Majesty the Emperor of China, was continued before Mr. Justice Lindsay Smith and a jury in the Supreme Court of China and Korea at Canton on Oct. 15th.

The jurors were:—J. C. H. L. Smith, R. T. Matheson, W. H. Hill, H. Dent, and C. H. Reid.

Mr. Hiram P. Wilkinson, Crown Advocate, of Shanghai, instructed by Mr. H. W. Looker (of Messrs. Deacon, Looker and Deacon) appeared for the prosecution, and Mr. J. C. E. Douglas represented the defendant.

Mr. E. A. M. Williams was further examined. In reply to the Crown Advocate he said the Hongkong currency account in the International Bank at Canton was fed by transfers from the construction account in Hongkong. The local currency account was fed from the construction account and the Hongkong currency account. Accused's private account showed only one salary entry for $200 odd. It also showed entries for the amounts concerning the charge. The railway cash book was produced, and witness said he did not find any statement therein showing whether items of cash entered as paid were paid in Hongkong or in Canton dollars. The only means he had of discovering this was by endeavouring to trace each payment to the passbook. The cash book as it stood was incorrect. Mr. Wright should have debited himself with the difference in exchange in order to bring it down to one standard currency.

In cross-examination witness said he had not previously had any experience of Government audit. He was of opinion that the railway cash book was of no use for an audit. He had ignored it.

It's not been touched by you?—I have referred to it, if you call that touching.

Do you remember in the lower Court preferring a charge against the defendant of having stolen $21,000 odd profits on exchange?—I did not charge him.

I mean to say you gave evidence concerning it. What is the total amount of the loss on exchange?—$27,836.43 to June.

How much did you find Mr. Wright had credited exchange?—$22,038.09.

A cheque may be drawn on the Hongkong construction account for payment of amounts, some in Hongkong and some in local currency?—No. Take an "Ao7" form. Certain amounts are paid in local currency and certain amounts in Hongkong currency. Mr. Wright would draw cheques for the amounts, irrespective of the currency, on the construction account, and transfer the total to the Hongkong currency account in the International Bank.

In stealing profits on exchange the money would have to come out of the bank first?—Yes.

And to do that you have either not to vouch for the money or to improperly vouch for it?—You must not vouch for it at all.

Did you get so far in your audit as to ascertain whether the accounts of the railway were kept in Hongkong or Canton dollars?—The accounts were kept in Hongkong dollars.

And the railway cash book as in Hongkong dollars?—No. Canton dollars are treated as Hongkong dollars there.

And if the cash book had been kept in the way you suggest the balance would have to be kept in two currencies?—No, the balance would be in Hongkong dollars.

This closed the case for the Crown.

William Butler Wright was first called for the defence. He stated that he had been a qualified passed accountant on the government of India railways from 1875 to 1887. Then he was deputed auditor for the Mahratta railway from 1887 to 1899. From 1901, after two years' leave spent at Home, until 1907, witness was chief accountant and deputy general manager of the Nigerian railway. He had had 34 years' experience of railway accounts. When he left the Indian service he was receiving a salary of 1,000 rupees a month, and in West Africa his salary was £1,100 with £100 duty allowance. Witness was 55 years of age, and had a wife and six children in England. He was appointed chief accountant of the Canton-Kowloon railway under an agreement put in. Witness spent a couple of months in Shanghai and Peking looking into railway systems there. Then he returned to Canton, made a report and suggested certain changes which seemed desirable to him from his experience. The head office consisted of the managing director, with whom was associated the engineer-in-chief and the chief accountant. Witness was told in London that he was to come to China in charge of the account with equal authority, status and responsibily with the engineer-in-chief. Latterly there had been an official estrangement between himself and Mr. Grove. They did not agree on different points, one of which was with reference to what he considered a failure on the part of the Corporation and the bank to meet a contractual obligation: that was, a matter of a transfer of £500,000 at the telegraphic transfer rate of exchange on August 29th last year. Witness held very strongly that the Corporation and the Bank were bound to transfer that amount at the T/T rate of the day under the terms of the contract, because it was a favourable rate. All previous transfers had been made at the TT rate. In August this year witness was distinctly played out, and feeling extremely unwell, consulted two doctors. Both suggested and one urged him to get away as soon as he could for a change. Witness was told by Mr. Power that an official audit would begin on August 10th. He showed the second accountant all the books, explained the system adopted and the technicalities, and to his mind the books were clear enough for any professional auditors to proceed on. He thought the audit would take a couple of months, but did not think there was any occasion why he should not go away. Under clause 7 of his agreement he could absent himself for any period not exceeding thirty days on the score of ill-health. He sent a medical certificate to the managing director with the intimation that he was going. Witness did not think that the sanction of the managing director was necessary. He first mentioned that he was going in the early part or in the middle of August. He spoke of his departure quite freely to his friends and told Mr. Power on August 30th that he was leaving by the *Tenyo Maru* on the 3rd of the following month. In July Mr. Grove explained to him and Mr. Power that it would be necessary to transfer the railway offices to Tungshan, and stated that the offices and residences would be transferred on October 1st. That was why witness took steps to pack his things with the object of being ready to remove. He saw Mr. Lorria with reference to auctioneering some of his effects. The rooms in which he lived were two or three times, or perhaps four times, the size of the rooms provided for him at Tungshan. If he put his dining room furniture in the house provided by the railway he would have had to stay outside. He put a limit on the things he wanted sold. His servants were still in Canton, where he had a few outstandings, some $5,000 or over, but he did not make any effort to collect it before he left. Witness' effects in his house and in godown he valued at over $5,000. A friend booked a berth for him on the *Tenyo Maru*. On arrival at Shanghai he was arrested, the specific charge mentioned in the warrant of arrest being for embezzling the sum of $13,000. The charges against him now were for larceny of the sums of $5,000, $13,000 and $4,0 0. When witness first arrived at Canton there was an account called the railway construction account in the International Bank That was opened with a sum of $10,000 before he arrived, and was operated upon by the joint signatures of the managing director and the chief accountant, according to the sub-section of the title. Witness read the railway agreement to read that no monies were to be withdrawn from the Hongkong and Shanghai Bank and deposited in any other bank. The managing director spoke to him, and he approached the agents in Hongkong about it being desirous, under instructions from Peking, to have $100,000 transferred to the Bank of the Board of Posts and Communications. While in Peking the President of the Board spoke to him about this matter, and asked him if he could arrange to transfer part of the loan funds to the bank in which he was interested in Canton. Witness discussed the matter with the agent and the Corporation in Hongkong, but they said it could not be done. The other accounts referred to in the agreement, to anyone who knew about railway accounts, meant revenue accounts of sections of the railway which might be opened during the progress of construction. It was the duty of witness to look after the construction account and the revenue accounts of the line. The keeping of funds outside the Hongkong and Shanghai Bank was an infraction of the agreement, and the accounts in the International Bank were opened by witness on his own initiative, and without reference to anybody. The system of drawing on the construction account in Hongkong with the two signatures was found to be absolutely unworkable. When work began in earnest large sums of money were wanted and wanted quickly. Contractors presented their bills and had to be paid quickly. Witness could not keep them waiting for days until the joint signature to draw money from the construction account was obtained Messrs. Deacon and Co, who were the Canton agents for the Hongkong and Shanghai Bank, were not able at any time to give him the funds he wanted, so he called on the manager of the International Bank and said he would like to open two accounts in his own name and to be operated upon by him. One he wished to call the Hongkong currency account to enable him to make quick payments in Hongkong currency. The other he wished to call the Canton currency account, and that would enable him to make payments in Canton currency and to feed the district engineers. He wished this distinction kept so that transfers from one to the other could be readily effected. Witness considered these accounts to be under his own control, and that he was responsible for the monies in them because he had acted *ultra vires*. No one else could draw on those accounts, but on one occasion when an urgent payment was necessary while the defendant was away, Mr. Power was allowed to draw $5,000. On his return however, he was asked to regularise the matter by signing a cheque. There was also an account for $3,000 kept in a Chinese bank for the purpose of meeting Custom payments in Haikwan taels. These accounts were opened in the early part of 1908, and were continued until the early part of une, 1909. Then the railway got notice that the Hongkong and Shanghai Bank were about to open a branch in Canton. It then became necessary, if that was so, for witness to transfer all monies back to the Hongkong and Shanghai Bank, because there would then be no justification under the loan agreement for any monies being in a separate bank. Witness called on the manager of the International Bank and told him he was afraid he would have to close the accounts in that bank, as otherwise he might be brought to book. Witness transferred the balance of the Hongkong currency account to the Hongkong and Shanghoi Bank, because he wanted to start in that bank as soon as it was opened. The day the Hongkong and Shanghai Bank opened witness interviewed the manager, and asked if he intended having local currency accounts. The manager said he was not going to touch local currency until he got some experience, so defendant was thrown back on the old plan. He told Mr. Grove that he had closed the Hongkong currency account at the International Bank by transferring the balance to the Hongkong and Shanghai Bank, and stated that he would trausfer the other account as soon as the bank opened a local currency account.

We are now going to deal with the specific cheques which the prosecution allege have been taken. You have heard the evidence?—Yes.

Have those transfers taken place?—From accounts 1 to 3?

Yes?—They have taken place.

What have you got to say?—I considered I was responsible for the whole of that cash balance. Whether I took that $13,000 out of one pocket and put it into another, or

whether I took it out of one drawer and put it into another, I was responsible. I did not earmark any notes or coins, but I regarded all the accounts as mine, for which I was responsible.

His Lordship—You regarded all the money as you own?

Defendant—No. Sir. I regarded it as in my custody.

Proceeding, witness stated that in consequence of the loan agreement he considered it irregular to have a cash book showing two currencies. He opened his cash book, and when it became necessary to pay money in Hongkong or Canton dollars they were entered for whatever the bill was. The amount of the bill would be shown in an "Ao7" form, which was the standard form used on all State railways in India. The payment would be copied into the cash book, but there was no definition to show whether it was made in Hongkong or Canton dollars, no reference to any bank being given. The difficulty in giving bank references would be that a cash book would be needed with four or five lateral columns if he had to distinguish between the different currencies. As that was prohibited by the loan agreement he put everything down as Hongkong dollars in the cash book In defendant's view the engineer in chief had no authority to sanction anything. The cash book was a record from which the official balance could be struck, and his method of keeping it was borne out by thirty years' experience, as such books had been kept in other parts of the world. On the receipt side of the cash book would be found the whole of the cash available for construction, and a specific transfer of the money from London to China from time to time which was lodged in the Hongkong and Shanghai Bank. All payments from that money appeared on the expenditure side of the cash book. The accounts were balanced each quarter, when there was an absolute balance in the cash book of the amount of expenditure and the amount of cash. The defendant received a payment of $10,000 on his own account in connection with the floating of a loan. He also sold a third share in a patent medicine for $8,500, and retained the two remaining shares. During the last eighteen or twenty months witness had had considerable private means, and had made some payments on behalf of the railway out of his private bank book. On June 3rd defendant worked out his book balance and compared it with the amounts still standing at the Hongkong and Shanghai Bank in Hongkong and the rest of the cash in his hands: that was to say, in the other two accounts at the International Bank. In the process of verification he got a difference, and as it was necessary to ascertain that difference he was proposing to transfer the whole of the funds back to the Hongkong and Shanghai Bank. Witness scrutinised all the entries in the International Bank book and saw that the $13,000 which formed an item of the charge, which was about the difference between the balance and the money, would have to be paid back to the Hongkong and Shanghai Bank. As it previously appeared in his private pass book, and had not been refunded, he thought first of paying it back into the International Bank before the transfer of the whole balance to the Hongkong and Shanghai Bank. That $13,000 enabled him to verify, balance and close his account of June 30th, and was the final difference between his account and the other accounts in the International Bank. It made no absolute difference to the engineer-in-chief whether a sum of $20,000 was in the International Bank Hongkong currency account, the Bank of England, or in a bank at Shanghai. Witness did not at any time believe that any of the sums of $5,000 $4,000 or $13,000 were due to him from the railway, but from time to time he handed the managing director about one and a quarter million dollars for works connected with the railway. When defendant cashed cheques for engineers they were paid the difference in exchange.

The examination of defendant was continued after the tiffin adjournment.

Mr. Douglas—Part of the case for the prosecution is that you were absconding to Shanghai. What have you got to say with reference to that?—I had no intention whatever of absconding or leaving the place any more than other officer of the railway. I made up my mind to take a change, did so, and hoped to be back at the end of the month so as to close the accounts for September. There was no need for me to give details to my assistant, who had to act under my instructions as chief accountant. What I do object to is that I was not given a chance to offer any explanation, but was arrested as a felon, brought back to Canton and kept under restraint, and up to now I have not been given a chance of explaining anything. Accused added that on the day of his arrest he had available cash sufficient to cover the alleged the deficiencies, and would have been prepared to pay it over subject to an examination of the accounts,

You have heard Mr Power make some comments on the statement of accounts made by you up to June 30th?—I heard the evidence. I understood him to say that the expenditure for the quarter on construction account as shown in the quarterly abstract ought to be $32,000 more than I had shown.

His Lordship—I understood him to say that the $32,000 was recorded twice over.

Witness—Deducted twice over. If the account was altered as Mr. Power suggested the balance would be reduced by $32,000, and the construction account would come down from $151,000 to $129,000.

Cross-examined by the Crown Advocate,

You were appointed at Home as chief accountant of this railway under agreement?—Yes.

And you undertook to carry out the terms of that agreement?—Yes.

You knew the preliminary work in the construction of a railway necessitates very large sums being drawn from time to time from the construction account?—Yes. Available for expenditure.

Did you consider it right and proper that those large sums—millions of dollars—should be simply in your pocket or in your safe?—There would not be millions of dollars at any time. It would be in sums of money as required for monthly expenditure.

Did you consider it your duty as chief accountant to organise any system by which that money should be in your own pocket?—I thought it was the correct thing so long as I was responsible.

As regards Mr. Wei's keeping money in a native bank to buy land, did you wish the Court to understand that on that account you could keep money where you liked and how you liked?—I think the two cases are exactly analagous. He was responsible at the end of the quarter, and as long as the expenditure was reported in the quarterly statement, I was not concerned with the balance of the deposit, as the managing director was personally responsible to the railway for the difference.

As regards the three particular amounts you are charged with having misappropriated, you did take them out of the railway accounts to pay them away?—I admit that.

How was it that you did not, having private means of your own, replace those sums?—Because I did not think it necessary immediately to do it.

One of those sums, $10,000, was put out at interest, was actually repaid, and was not paid into the railway accounts, but into your own private account, out of which it had not been drawn?—It had been drawn.

His Lordship—What is your answer? You took out this money, why didn't you put it back in a railway account?—I thought it immaterial whether it was in one, two or three account.

As regards the 23th June, was this an attempt to pay back $13,000, or simply an attempt to close up accounts?—It was primarily the closure of the International Bank balance, and its transfer *en bloc* to the Hongkong and Shanghai Bank, because that bank was opening in July and I had no justification to continue the account in the International Bank. Besides, those accounts were opened at my personal risk, and if the bank stopped payment I should have to make good the money.

In re-examination witness said his system of keeping the accounts was the Government system. A large number of cheques drawn on the construction account were paid away immediately.

Before you adopted this system you carefully studied the systems adopted on other railways in China?—Very carefully.

Are you of opinion that the system you have adopted is more satisfactory?—Yes, I am of opinion that it is far more accurate.

The hearing was adjourned.

FOURTH DAY'S HEARING.

ACCUSED SENTENCED TO TWO YEARS' IMPRISONMENT.

Before the Crown Advocate addressed the jury the Foreman (Mr. Dent) said the jurors thought the defendant should have an opportunity of earmarking the amounts which he said had been placed to the $9,000 in the "Ao7" account.

His Lordship informed the jurors that for a fortnight the defendant had had an opportunity of consulting his account book. If he could earmark the account, he had had every opportunity to do it.

Mr. Douglas—It would be a tremendous labour to find these amounts.

His Lordship—I take it if he meant to do it he would have done so. I think the jury think he has not had the opportunity. If it was possible for him to do it he has had the opportunity.

The Foreman—I thought he had not had an opportunity.

His Lordship—He has.

The Crown Advocate, in addressing the Court and jury, said that before proceeding to sum up he wished to refer to a gentleman who had been referred to, but who had not been in Court. There was an unfortunate reference to a district engineer, who was alleged to be going to keep exchange. The speaker wished to say that he looked into the accounts with the assistance of the accountant, and found there was no foundation for this statement. There was a profit on exchange placed in the accounts. The accused was indicted under a certain statute that he, having by himself or jointly with others, the care of certain monies, converted them to his own use. It had been proved that Mr. Butler Wright was not only entrusted with property, but was in charge of it, and he himself admitted that he made certain use of the three particular sums mentioned in the indictment. The prisoner seemed to have taken a very peculiar view of his position, and that had to be taken into consideration, because it threw a light on his subsequent actions. He read the trust agreement in a very peculiar way, and considered it was his duty to supplement that by saying that the Hongkong and Shanghai Bank did something wrong in not sending out $5,000,000 at the T/T rate of the day. The prisoner also said that by clause 4 of his own agreement he could absent himself at any time. There was a peculiar idea in Mr. Butler Wright's mind of his position and of his duties. The prisoner also told the jurors that the accounts opened in the International Bank was a matter entirely off his own bat. The first point the Crown Advocate wished the jurors to remember was that the money in the International Bank was earmarked as railway money. The construction account in the Hongkong and Shanghai Bank fed the Hongkong currency account in the International Bank at Canton, and the local currency account was fed, with certain irregularities, by the Hongkong currency account. Mr. Wright said the whole of the accounts in the International Bank were the same as his private account. It was an impossible position for anyone to say that he had the right to mix the money of his employers with his own. Even if he was prepared to take a tremendous risk in dealing with large lump sums of railway money, it was all the more necessary for him, a man who had dealt with accounts for thirty years, to see that he kept those accounts in such a way that they could not possibly be mixed up with his own private account or the accounts of any other persons. If the accused was content to say that he alone was responsible for the half-yearly balances, he should have been most careful that the International Bank was not led into error through his having the accounts in a somewhat similar name. If a man chose to deal with the money of others in a way in which he exposed himself to extra risk and in which he took the

responsibility, then he was all the more liable for failure in his trust. But the accused had shown by his actions that he did not think so. The defence was that he thought he had a perfect right to draw these three cheques, for his own private and immediate convenience, on the bank on any account he liked. If Mr. Butler Wright honestly thought he could on September 14th and December 30th, 1908, and on February 1st, 1909, draw a cheque for his own private purposes, or to oblige a friend or let out at interest, he would not have taken the trouble which he did, and which had been proved by the bank books, to first draw the money out of the railway accounts, then put it in his own private account, and then draw it out of that and use it. Dealing with the amount which it was stated the accused was supposed to have tried to pay back, the Crown Advocate said the proper way to have dealt with that would have been to put it in as one clear earmarked transaction; to pay it back in one lump to the Hongkong currency account in the International Bank. Instead of that was found an extremely complicated transaction of $4,000 taken out of one account and put into another, and $9,000 brought in from somewhere or other in cash, and then the whole amount not squared up. This attempt to pay back was made because Mr. Grove was worrying the accused to know how the account stood as between the Hongkong construction account and the amount expended in Canton in construction of the railway. The prisoner did nothing that Mr. Grove wanted. Instead of getting out the account in a simple and business-like way he, by a complicated system of raising $9,000, and juggling backwards and forwards with $4,000, managed to remit back through the mercantile agents of the Hongkong and Shanghai Bank the sum of $22,948 into the Hongkong construction account. As regarded the amount lent on silk, the prisoner converted the money to his own use by drawing out of the Hongkong construction account and by lending $10,000 to a Chinaman. What he ought to have done when it was repaid was to pay the money back into the account from which it was drawn. When the money was returned to him he must have known that he had advanced it out of railway funds, and if he was trying to conduct the railway accounts honestly, he would have put it back where he got it instead of taking the money a second time. The question as to how far from normal Mr. Wright's ideas of finance might be would be a matter on which his Lordship would direct. A man of his experience and ingenuity, and bold enough to refuse to carry out accounts as two other large railways in China carried them out, and to appoint his own system, must have known what he was doing. He took his risk, and preferred to keep his accounts in a way in which his junior refused to take them over. The speaker suggested to the jury that they would require a very good reason to find that these transactions were innocent. If a man took money entrusted to him, meaning at sometime or other to pay it back, that was larceny. Regarding all the questions of exchange, the Crown had a right to bring in evidence to show that the three specific charges preferred against Mr. Butler Wright were not an accident. In the lower court there was a charge with reference to exchange, but he found this unnecessary, as the three present charges were quite sufficient. The jurors had heard how the accused knew that exchange was rather a difficult question, and addresed certain instructions to the district engineers. They had also heard how he started the "A 07" account, and how he gave it up, and the speaker thought defendant's reasons for giving it up would not satisfy the jury. They heard of nothing that had been substituted for the account mentioned. The position Mr. Wright took up was that if he had not been arrested, if all his property had been sold, if he had been asked to come back he could have repaid the railway more than any of the sums in the indictment. That was a new and startling defence, and if that was his defence he should never have gone away from the Shameen unless he was taken away on a stretcher. There was a difficulty in meeting a defence of that sort. As a matter of law, if the chief accountant of the railway took interest and used it for six months, then, the Crown Advocate submitted, the jury must find him guilty of conversion of railway money. The defendant was not only in a position of trust, where he was representing the honesty of Great Britain, but he was representing the honesty of Englishmen in China, and he dealt with those accounts in the way he did. It was for the jury to say whether the defendant was guilty or not; whether he acted innocently or criminally. The speaker did not see how the jury could say that the accused had an honest excuse: such an excuse as left an honest doubt in their minds as to whether he used the money or not. If they could agree that the defendant was not responsible for his actions, then it was a case for dismissal.

Mr Douglas, in addressing the jury on behalf of the defendant, after referring to the very tedious time they had had, said he would like first of all to deal with certain facts which had crept into the case. It was natural in a matter of so much importance as a charge being laid against the accountant of the Canton-Kowloon Railway that that charge should create a good deal of excitement, stir and commotion. It was not altogether as natural, however, nor quite so necessary, that the rumours which were going about should creep into print, and by virtue of the written word receive sanction they were not yet entitled to. It was in consequence of that having happened that an application was made to change the venue of the trial to Shanghai. But the fact that such an application was made did not cast any reflection on anybody, and if there was a feeling in the minds of any of the jurors that it did cast a reflection, that feeling should be entirely removed by the very high compliment which the Chief Justice of Shanghai conferred on the community when he refused the application on the opinion given by the Consul-General at Canton that fifteen men could be obtained to give an impartial verdict. That was a very high compliment to the community, and one the community thoroughly deserved. He felt sure that the jurors would listen with absolute impartiality to what he had to say, and that the accused at their hands would have a perfectly square deal. He wished the jury to understand that the prisoner was not being arraigned for not keeping a proper system of accounts; he was not being arraigned for making errors in keeping those accounts; he was not, in fact, being arraigned for transferring certain sums of money from the account of William Butler Wright, chief accountant, to the account of William Butler Wright. The charge against him was a charge of larceny; that was, of taking a sum of money, the property of the Chinese Government, and converting it to his own use so as to permanently deprive the Chinese Government of the benefit of that sum of money.

His Lordship—This man is not arraigned for larceny, but for fraudulent conversion of droperty.

Mr. Douglas—That is an offence which is called larceny, and is read with a certain section of the Larceny Act.

His Lordship—There are many offences called larceny.

Mr. Douglas—What I mean to say is that in this case there must be a criminal intent to convert the money to his own use.

Proceeding, Counsel said the charges against the accused were of stealing a sum of $22,000, made up of amounts of $5,000, $13,000 and $4.000. It was difficult, he thought the jurors would agree, for a man standing on a criminal charge upon a complicated matter of accounts, to go into the box practically without assistance, and to give them a clear and concise lecture for an hour and a half on complicated facts. They knew that funds under the railway agreement must be kept in the Hongkong and Shanghai Bank, and the defendant said that any accounts kept outside of that bank caused, strictly speaking, a breach of the railway agreement, and were not railway accounts at all. Accused told them it was his duty to organise the accounts, and the first difficulty he had to contend with was the fact that he required a very large cash balance from time to time. It was to deal with this that he, on his own initiative, opened the three accounts in the International Bank, and in doing this he took a certain amount of risk and responsibility because he was acting outside the agreement. In the event of the bank failing, or anything of that sort, he would have had to make good. He thought there would be some difficulty to the jurors in appreciating the point Mr. Wright tried to make. The accused's actual way of looking at things was that once the money had passed out of the construction account into his hands, it became cash in the hands of Mr. Butler Wright. The prisoner had explained the system by which he kept his accounts, and Counsel submitted that it was not understood at all, and was certainly discarded by the auditors in their investigations. The accused's story was that he was himself in receipt of large sums of private cash, and a man in the habit of handling large amounts might become a little bit incautious in the way in which he kept the cash in his office absolutely distinct. His patent medicine brought him in an income, and for the sale of a third share he realised $8,500. The defendant had also told the jury that he received as much as $10,000 in connection with work he did on behalf of a syndicate for negotiations for a loan for China. Sums of $13,000 and $4,000 were drawn out of the account of William Butler Wright, chief accountant, and Counsel submitted that the jury were entitled to ask for explanations as to how those sums had been paid back. Defendant's story was only really checkable by the balance, and his case was that he had made payments for and on behalf of the railway out of his own private cash, and there were vouchers which set off the money which he took into his own hands. This method had been going on for some considerable time, the amounts would be amalgamated by a lot of small payments in cash, and it would be very difficult indeed to trace through all the vouchers of the railway. The amount of Mr. Power's passage money was a railway charge. The defendant paid it out of his own cash, but it came in on the debit side as an expense of the railway. A most peculiar feature of this case was that the Crown Advocate looked upon the payment back of a sum of money as a much more suspicious action than the taking of a sum. In the June quarter Mr. Wright decided to close the International Bank accounts entirely, and the closing of those accounts caused this transaction to take place. The Crown Advocate had told the jury that the defendant was not being tried with stealing a copper cent of exchange, but he also said that the matter of exchange was important to his case. The Crown appeared to have little confidence in the exchange charge, and that charge was dropped. The prosecution had not made any allowance for loss on exchange, while the system Mr. Wright instituted for keeping a record of that was a perfectly accurate system. He had to deal with various currencies, and wanted to be able to evolve a system of keeping accounts in one currency, and did evolve a very clever system by which all his exchange should, properly speaking, be a bank transaction. Counsel submitted that the accounts had not been properly audited, and that the case against the accused had been very largely supported by evidence of absconding. Some of it had not been put before the jury as fairly as it might have been. The prosecution made out that the defendant was going away because he knew there was going to be an audit of the accounts. As a matter of fact he did know about the audit, but he announced his intention of departing openly. Other evidence called to show that he must have run away was that the things in his flat were packed up, and it took Counsel a little time to get the answer from Mr. Grove in cross-examination that there might have been another reason, and that reason was because the defendant had to remove to Tungshan. The defendant was said to be absconding on account of $9,000, whereas he left assets and debts due to him in Canton which greatly exceeded that amount. Mr. Douglas submitted that it would have been much more satisfactory to everyone if a telegram had been sent to the British Consul-General at Shanghai requesting him to ask Mr. Wright to return and explain. Then, if defalcations were found, he could have been charged with larceny, embezzlement, or whatever was necessary. The mere issue the the jury had to try was determined on the question of intention—intention to defraud the Chinese Government of money. To have that charge made out, the jury ought to be satisfied

that there was, beyond any doubt, a shortage of money, and to prove that shortage they had to be satisfied with reference to the question of exchange on which the prosecution put the loss as high as $27,000 The Crown had not shown how the defendant actually took the money on exchange. It had to come out of one or other of the bank accounts, and had to come out by cheque, and they had not found those cheques. Mr. Butler Wright was a man of great experience, having 30 years' railway service, and he was in receipt of over £600 a year and allowances. As he stated, he had a wife and six children at home. The jury were asked to say that for the sake of $9,000, which he was able to pay back, he absconded from Canton, threw over, after 30 years' service, the billet he had, as well as his wife and children, and decided to become an outcast and fugitive from justice. A defaulting accountant would have gone to another place under an assumed name, and could never have written the bank to draw the accounts which the defendant had left behind. If the jury were satisfied in their minds that the defendant's statement was true when he said he believed he put the accounts in order, then Counsel submitted that he was entitled to acquittal. They had to be satisfied that a criminal offence had been committed. The defendant was not being tried on a civil action for breach of agreement and duties. It was a very much more sericus charge, and conviction meant ruination and in all probability imprisonment. It meant ruination to him and his family, but of course these were facts from which the jury must not shrink in weighing up the evidence. They had to give full weight to that and Counsel's arguments, in deciding whether the man was guilty or not, and if they had any reasonable doubt, the prisoner was entitled to the benefit of it. What they had to try was not criminal offence, but criminal intention, and the intention of a man could only be gathered from the facts put before them. Counsel submitted that the jury must find that there was no intention on the part of the accused, and that he was entitled to acquittal.

His Lordship, in directing the jury, said they had listened so carefully and patiently to the facts, and they were, as business men and merchants, so well qualified to decide them that it was unnecessary for him to deal with them at any length. He would simply confine himself to pointing out the law which governed the offence, and also one or two important facts. Before he did that, however, he wished to impress upon them the great necessity of eliminating from their minds any fact they may have heard which had not been proved at the trial. Anything they had been told, or anything they read in the newspapers, which had not been told at the trial, they must dismiss from their minds and decide the case simply from the facts heard during the last three and a half days. The three charges were exactly of the same kind. In each the Crown accused the defendant of having fraudulently misappropriated certain sums of money. The essence of fraudulent misappropriation was not, as Mr. Douglas had stated, intention. It was wrongfully converting to one's own use money which had been entrusted to a person. If a man who was given money to take care of, instead of doing that used it for his own purposes, that man was guilty of fraudulent misappropriation. The Crown therefore had to prove in this case, first, that the accused was entrusted with certain monies to be used for the requirements of the railway. They had also to prove that he used this money or part of it for his own benefit. It was clear from the evidence of His Excellency the Managing Director, and also from the whole history of the accounts and the position held by Mr. Butler Wright, that he was entrusted with monies which he put in the International Bank, and they heard from the evidence of the chief engineer, and would see from the total of the pass book and the accounts, that those monies in the International Bank were for the use of the railway. It was also clear that the accused on three occasions removed money from the railway accounts in the International Bank to his own account. Therefore he was in possession of certain money which belonged to the railway funds, and had committed the offence with which he was charged. It seemed to His Lordship that the Crown had proved all that was necessary. What, then, was the defence? The prisoner's defence was that he thought he was entitled to mix his private money with the railway money, and that he was entitled to draw monies from the railway accounts as long as he put them back. It had been held hundreds and hundreds of times that it was no defence for a man to take money entrusted to him and use it for himself, simply because he meant at some time or other to put it back. Nearly every unfortunate clerk or unfortunate solicitor one saw in the Old Bailey took money honestly with the intention of paying it back. But they could not pay it back at the time, and they were not able to pay it back before the time came when the whole matter came out. First of all, this man Wright, although the money was borrowed as far back as September, 1908, did not, even on his own showing, attempt to pay back till June. The defendant may have, after a certain time, paid back some monies, but he did not inform anybody that he was using railway money, and he did not keep any slip or record of the amounts used. Neither did he, so far as one could ascertain, at the time he took this money, have a substantial sum in the bank at his own credit. He had talked about his patent medicine, and also said he had a sum of money. It was only right his Lordship should point out that there was no evidence about this valuable patent medicine, and it was really for the defendant to prove that he had got these ample means to pay the railway money back. It was not so according to his pass book. With regard to the accused leaving the Shameen, one could not tell where he was going. He might have been going to Shanghai or Japan; no one knew. Anyhow, at a most important time, when the whole of the accounts were to be audited, he did not tell the sub-accountant what he had been doing with the money, nor did he try to explain. Instead he slipped away to Shanghai, and, as far as one could judge, was going to Japan, where he would have been out of the jurisdiction of the Court. In all these circumstances it seemed to his Lordship that it would be very difficult to come to any other conclusion than that the accused used the money of the railway because he had not sufficient money of his own. Of course, it was for the jury to decide, and if they came to this conclusion they were bound to find the prisoner guilty. If he took the money from the railway without permission, and could not put that money back, he was guilty of embezzlement. The jury were then asked to consider their verdict.

They retired, and after an absence of forty-five minutes returned into Court, and on reply to the Judge's clerk, Mr. Rosser, announced that they had agreed upon their verdict.

They found the prisoner guilty on all three counts, and the Foreman handed a written slip of paper to the Judge.

His Lordship, after perusing it, said he was not sure that it was quite in order, but he would read it. The slip read:—"The jury are of opinion that great negligence has been shown by the general managers for the Corporation in not being aware that large sums of money were drawn from the Hongkong and Shanghai Bank and passed into other bank accounts which were operated upon solely by the defendant. Had an audit been taken half-yearly the present case might have been averted."

The Crown Advocate passed up to his Lordship a letter which he had received on Friday, and which, in the circumstances, he thought his Lordship should see. The letter was not read aloud.

Mr. Douglas then informed His Lordship that as the prisoner had been found guilty it was the Judge's duty to pass sentence. Counsel asked His Lordship to take into consideration the fact that the prisoner was an old man of fifty-five, and that he would have to serve the sentence imposed under conditions which would be exceedingly trying to a man in his position.

His Lordship—William Butler Wright, you have been found guilty by this jury of unlawfully and fraudulently misappropriating three specific sums of money. The law always regards that as a serious offence, and it is more serious in your case because you have been specially chosen as an Englishman to defend that offence, and have been found guilty. After making allowance for what your Counsel has said of the trying climate in which the sentence will have to be served, I cannot do less than pass sentence of two years' hard labour.

Prisoner, who appeared quite calm when sentence was passed on him, was then removed from the Court.

The Crown Advocate applied for the restoration to the railway of the property seized when defendant was arrested, and stated that he thought it his duty to mention that under an Order-in-Council the prisoner could be ordered to pay the costs of the prosecution. There was about $5,000 in the hands of the Court.

His Lordship (to Mr. Douglas)—If you like to consider the point there is no necessity to argue it now.

Mr. Douglas—The money should be sent to the man's family.

It was decided that the application should be heard later at Shanghai.

His Lordship—Gentlemen of the jury, you have listened patiently to this case and given it every attention, and I think it is only right that you should get some sort of recompense. You will be exempted from serving on a jury in this place for the next three years.

The prisoner was brought to Hongkong on Saturday night by the steamer *Kinshan*, and imprisoned in Victoria Gaol.

IMPORT AND EXPORT OF LIQUOR.

The undermentioned places in the Colony are specified by His Excellency the Governor as places into which dutiable liquors and denatured spirits may be imported:—

1. The place where the road from Sha T'au Kok to Shek Chung Au crosses the Chinese frontier.
2. The end in British Territory of the bridge between Lo Fong and the Lo Shu Ling blockhouse.
3. The landing place in British Territory of the Lo Fu Ferry.
4. The landing place in British Territory of the Lok Ma Chau Ferry.

The following places are specified as places from which dutiable liquors and denatured spirits may be exported:—

1. The place where the road from Sha T'au Kok to Shek Chung An crosses the Chinese frontier.
2. The end in British Territory of the bridge between Lo Fong and the Lo Shu Ling blockhouse.
3. The landing place in British Territory of the Lo Fu Ferry.
4. The landing place in British Territory of the Lok Ma Chau Ferry.

PRINCE HSUN IN HONGKONG.

On Oct. 20th the warships in the harbour were decorated in honour of His Imperial Highness Prince Hsun, who, with a party including Admiral Sah, Sir Chentung Liang Cheng, Messrs. Chao Feng, Chang and ten other attaches, is on his way to Europe to make a study of naval matters. The Prince and party were passengers on the German mail steamer *Luetzow*, which did not enter the port on Tuesday but sought a safe anchorage at Junk Bay, but the weather was so unpropitious on Oct. 20 that the official landing was abandoned, as well as the luncheon at Mountain Lodge arranged by H.E. the Governor in honour of the distinguished visitors.

The party will disembark at Genoa and proceed direct to London. Visits will then be paid to Paris, Rome, Vienna, Berlin and St. Petersburg in the order named. The return journey will be made *via* Siberia, and His Highness expects to reach Peking about the middle of January. In March he will resume his travels and visit Japan and America.

A royal salute was fired from the warships in port on Thursday afternoon as the German mail steamer *Luetzow* left port with H. I. H. Prince Hsun on board.

The Protector of Chinese at Ipoh is taking strong measures to stop the boycott by the Chinese of the Japanese. It is understood that the men who insulted the Protector (Mr. H. C. Fidges) will be banished.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on Oct. 21st in the Council Chamber.

The following were present:—

His Excellency the Governor, Sir Frederick John Dealtry Lugard, K.C.M.G., C.B., D.S.O.

His Excellency Major-General R. G. Broadwood, C.B., A.D.C. (General Officer Commanding).

Hon. Mr. F. H. May, C.M.G. (Colonial Secretary).

Hon. Mr. W. Rees Davies (Attorney-General).

Hon. Mr. C. M'I. Messer (Colonial Treasurer).

Hon. Mr. P. N. H. Jones (Director of Public Works).

Hon. Mr. A. W. Brewin (Registrar-General).

Hon. Mr. F. J. Badeley (Capt. Superintendent of Police).

Hon. Dr. Ho Kai, M.B., C.M.G.

Hon. Mr. E. Osborne.

Hon. Mr. E. A. Hewett.

Hon. Mr. Murray Stewart.

Hon. Mr. W. J. Gresson.

Hon. Mr. Wei Yuk, C.M.G.

Mr. C. Clementi (Clerk of Councils).

MINUTES.

The minutes of the last meeting were read and confirmed.

FINANCIAL MINUTES.

The Colonial Secretary, by command of His Excellency the Governor, laid on the table Financial Minutes (Nos. 42 to 46), and moved that they be referred to the Finance Committee.

The Colonial Treasurer seconded, and the motion was agreed to.

THE ESTIMATES.

The Colonial Secretary moved the second reading of the Bill entitled An Ordinance to apply a sum not exceeding Five million six hundred and twenty-five thousand six hundred and eighty-three dollars to the Public Service of the year 1910.

The Colonial Treasurer seconded.

Hon. Mr. Hewett—Your Excellency, I have been asked by the unofficial members to speak first in reply to the Budget speech which your Excellency made a fortnight ago. I understand that some of my colleagues will supplement what I have to say later on. Setting aside the question of the liquor duty, we all agree, I think, that the Budget taken as a whole is fairly satisfactory. That is to say, there is a revenue of $6,908,000, including the liquor duty, and an expenditure estimated at only about $40,000 more than that. I am sure it is very satisfactory to all of us to find that the loss on the opium farm for the next three years is very much less than at one time was feared. But with regard to that loss we have still to learn what attitude the Imperial Government will take up. We were promised – at least, so we understand—by the Secretary of State in the House of Commons—that substantial compensation would be made for loss occasioned through a policy dictated to Hongkong by the Home Government. I understand that your Excellency spoke of the Imperial Government possibly granting Hongkong half the amount of that loss. Speaking for myself—in this case I do not speak for my unofficial colleagues—I maintain that it would only be an act of justice if the Imperial Government granted to the Hongkong taxpayer at least the full loss incurred on the next three years' opium farm, by accepting a policy which we have never confessed. Turning generally to the question of the revenue of the Colony, there are one or two points on which I would like to touch. We all know that land sales have very largely decreased during the last few years. At one time they formed a very important item in our revenue, something like $70,000, but there is no reason to suppose that there well be any material increase during the next two or three years—certainly not as far as the island is concerned, as the country is largely developed. Another important item of our revenue, as we all know, has been the opium revenue. That, of course, is an extremely precarious item, and we have every reason to believe it possible that in a very short time that revenue may cease. Therefore it is very obvious, as your Excellency stated in your remarks the other day, that "although during the next twelve months the financial problem of the Colony will not be very difficult, there will be in the immediate future a very serious financial problem to be faced." Reverting to the question of the opium divans, it is not very satisfactory to understand that your Excellency appears to look to a breach of law for certain increases in our revenue. I trust, although your Excellency may be right, that you may prove to be wrong, and that the Colony will prove more law-abiding than your Excellency appeared to contemplate. With regard to the loss of revenue on opium divans, I am not sure that I follow the remarks made by your Excellency, but perhaps you will correct me if I am mistaken. I followed your speech as published in *Hansard*, and it appeared to me that you rather connected the new revenue from liquor duties with the opium. It seems to me that would be wrong if that was the intention your Excellency meant to convey. I trust you did not mean to suggest, because we were getting an extra half million, or whatever the exact amount may be, from the new tax on liquor, that that might possibly be used as an argument by the Imperial Government against making a substantial contribution on account of the loss to revenue through the closing of the opium divans. It may be that I did not quite understand what your Excellency said, but I must confess that that was the impression left upon my mind as to what you did say. It is a great deal too early to even hazard a guess as to what revenue will be brought in by the new liquor duty. Your Excellency put it at the conservative figure of $508,000. Personally I think it will be more. But I merely take the opportunity of expressing the hope, which I am sure will be fulfilled, that the Local Government will not, because the revenue has been raised by three or four lakhs, launch out into any fresh expenditure. I hope and feel sure that the strict policy now introduced of carefully husbanding the revenue will be persisted in. In this connection I think it is advisable to refer to the constantly increasing expenditure on public works. Take the railway, for instance. The original estimate was put down at something like $8,000,000, but so far as I can gather the amount actually spent is somewhere nearer $11,000,000, or 40 per cent. more. The Law Courts were estimated to cost about four lakhs, but the figures now before the Council are almost double that amount, an increase of 94 per cent. The same thing applies to the Post Office, which was expected to cost five lakhs, but which has cost to date $873,600, an increase of 75 per cent. That has been the story for many years past on all big public works in Hongkong, and my recollection goes back, I am sorry to say, for 30 years. I can only express the pious hope that my successor on this Council in years to come will not have the painful duty of calling the attention of the Government to the fact that the typhoon refuge at Mongkoktsui has exceeded the estimate by from 40 to 75 per cent, but rather that he will have the unique experience of congratulating the Government on such a thing not being mentioned. It appears to me that there must be something radically wrong in the way in which estimates for public works are drawn out here. In the first place we are asked to approve certain works which are going to cost a certain sum. Many years later, when they are nearly completed, we find that sum largely exceeded. Another point in connection with these big public works, to which it is only fitting that I should again refer, is the unnecessarily long time spent in carrying them out. The Law Courts were started, if I remember rightly, at least nine years ago, and the Post Office about a year later. Looking at this from an entirely business point of view, where land has been purchased and public money expended for large public works, surely it is only practical and economical that the works should be completed as promptly as possible, bearing in mind that the two particular buildings are the Law Courts and the Post Office. In the first place, supposing they were completed in reasonable time, a very large and valuable piece of land could be available for other purposes. As regards the other section, a very heavy rental has to be paid annually until the new building is put up. I am quite prepared to hear arguments put forward against my proposal, and one will probably be that this is no time to sell land. However, could not that have been contemplated eight or ten years ago when the Law Courts and Post Office were started. As regards the Post Office, of course, that means we are paying a heavy rental which might have been saved. It might be suggested that when all this work is paid out of the current revenue the money is not available, but I don't think, from a business point of view, that is a sound argument, supposing such an argument were adduced. It appears to me perfectly reasonable to raise a five or ten years' local loan to cover the cost of special work. We have a very notable example of the difference between the way in which certain Government building operations are carried out and the way in which other people conduct their business. Opposite the Post Office a very handsome building has been erected and the old hong demolished. The work of putting down a new foundation and erecting a new building, one of the most handsome and best constructed in the Colony, was carried out in eighteen months. That building was erected by business men working on business lines, who wanted to receive in the shortest possible time a return for their investment. Your Excellency referred to various payments, principally with regard to the Law Courts, the Post Office and the Kowloon Water Works as final payments. I think you will have the thanks of the community if your Excellency will give the assurance that these particular works will be completed by the end of 1910, and that no further payments in respect of them will be asked for. And I think, if I might be allowed to suggest it, that it is all the more necessary that your Excellency should give us this assurance, because rumours have been put about lately as regards the Post Office that some hitch has taken place about that building, and that it may not be completed as soon as hoped. Turning to the Postal Agencies, I think we are all of one mind that it is quite unreasonable to expect the taxpayer of Hongkong to contribute towards their losses. It is very gratifying indeed to know that the Imperial Government now agree to pay half of that loss, and I trust the communities concerned will put their hands in their pockets and bear the other half. Speaking as a resident for a great number of years in China I would be the first to deplore closing the British Post Offices, because I understand the advantages to British interests that these postal agencies confer. At the same time the time has now arrived when it is absolutely unreasonable to ask the Hongkong taxpayer to pay a single cash towards their maintenance. Your Excellency made reference to the Observatory, and as this is the only time in the year when we have a chance of criticising favourably or unfavourably the policy of the Government and its officials, this is the time we should express our appreciation of the way the Observatory has been conducted. The more so, as we are perfectly well aware, that the Director is handicapped by not being fully connected with all sources of bad weather. That brings me to another point, the necessity of increasing the number of our stations. The Chinese Government some time ago agreed to erect a station on Pratas Island and now that the question of ownership has been settled I trust that it will be possible to induce them at the earliest possible moment to proceed with the wireless telegraphic station. I put forward this hope not only in the interests of foreign shipping, which, after all, is possibly not a great concern of the Chinese Government, but more in the interests of humanity with regard to the enormous junk and fishing trade carried on in those waters. We have only too good reason to know during the last month the appalling loss of life occasioned to shipping crews by the absence of proper warning of bad weather. Therefore, in the cause of humanity I trust that the Chinese Government at the earliest moment will put up that station. The Philippine Government have, I believe, practically undertaken to put up a similar station on one of the islands in the Balanting Channel, and I am sure we all hope it will be pressed forward at the earliest possible mo-

ment. Of course, the erection of these two stations is not of particular value unless the Hongkong Government erect a wireless telegraphic station or permits others to do so. I do not believe myself such a station run as a commercial undertaking could possibly pay for two or three years, but it is absolutely necessary that we should have one, as year by year a considerable number of steamers are being fitted with wireless telegraphy. How it is to be erected, either by government or commercial undertaking, is a matter that will come up for consideration later on. I know it has been before your Excellency already, and I am sure it will not fail to receive your attention. Your Excellency also referred to the military contribution and stated that the Secretary of State proposed to appoint a committee to inquire into the matter. The unofficial members entirely agree that the whole C ony should contribute something towards the defence of the Empire, but we consider that improvement might be made in the manner in which the collection is levied on the Colony, and we welcome the proposal of the Secretary of State to appoint a committee. I do not propose to go deeper into the matter. My views are well known, and after two years' personal consideration I see no reason to modify what I said at this Council two years ago; but I will take this opportunity of pointing out how extremely heavily this military tax presses upon the ratepayers of Hongkong. You told us in your speech in submitting the Estimates that the import duties were expected to realise $508,000, and that the cost of collection will be $60,000. As a matter of fact I believe that these figures are very conservative, but even taking your figures, that would mean that we have to get a net revenue of $508,000 from these new import duties to which we all object and which the Council reluctantly passed because we realised that the money had to be raised and that our revenue had to be made up from fresh sources. This tax, even on your figures, sir, means that we have to pay very nearly a lakh and a half to military contribution. Your Excellency referred to the bogey of subsidiary coinage. I do not propose to go deeply into that question, which is a very vexed one, and as we know different opinions prevail. But I would remind your Excellency that when you appointed a Commission some time ago, the majority report was signed by five members, consisting of leading officials and merchants in the Colony. That majority report was signed amongst others by the Chinese member sitting opposite. One member, the head of a Bank, signed an individual report, and three members signed a minority report. I would remind your Excellency that the committee of the Chamber of Commerce, after discussing the matter very carefully, endorsed the minority report signed by Messrs. Smith, Law and Wood. I merely refer to this question to remind you how very difficult it is to arrive at any decision on such a vexed question, because you find out of a dozen men collected together perhaps not more than three agree on one point. The policy at present and hitherto adopted by the Government is perfectly correct—one of watchful care. At any moment the situation may change and the Government may have, sooner than we anticipate, to take drastic steps to deal with it. For myself I believe our coin is not redundant. I believe that, in the interests of the Colony, it would be a mistake to redeem our subsidiary coins and re-sell at melting value, as it would be a loss of about a quarter or half a million dollars a year to the Colony. I also believe it would be a mistake to try to prevent the circulation of Chinese coin in the Colony. Those are my personal views, but I know a large number of people do not agree with me. There is only one other matter mentioned in your Excellency's remarks to which I shall refer, and that is the erection of lights at Douglas rock and the Bunansiah reef. This question is an old one. It has been before the Chamber of Commerce, and was referred by us to the Government on more than one occasion. The consensus of opinion as given by men, some of whom have spent half a lifetime in navigating the Canton River, is that a beacon on Bunansiah reef is practically of no use at all. If money is going to be spent on erecting a beacon, what they want is a beacon that will enable then to navigate the Capsuimun Pass. Several years ago a letter was signed by fifty senior merchant captains asking that a beacon should be erected at the southern end of Capsing Island. I trust before your Excellency proceeds further with this matter that it will receive your thorough consideration. I think it will be a waste of money to erect a light on that reef when it is required at Capsing Island more than anywhere else.

Hon. Mr. OSBORNE—Your Excellency has informed us that the Government's policy on the question of subsidiary coinage is to be a policy of watchful inactivity.—"watchful care," the honourable member who has just spoken calls it. And considering the complexity of the subject, the futile efforts of the Investigation Committee two years ago, when a number of experienced business men deliberated upon it and failed to agree on a single point, it is not surprising that, in the midst of such conflicting opinions, the Government hesitates to do otherwise than wait. At the same time I think your Excellency would welcome the prospect of escape from the dilemma in which the Colony finds itself, and I therefore venture to put forward a proposal which I think will, without injury to any interests and without friction, end a situation which is intolerable to trade. First, however, let me repudiate the idea that this is a question affecting only a few public traffic companies. Probably it affects these companies less than anyone, because they have it within their power to make good their losses by raising fares, as indeed has in most instances already been done. It is not the company but the traveller who loses, except in so far as increased fares restrict traffic. This, sir, is not a question of individual interests; it is one that concerns, in a greater or less degree, the whole of our labouring classes—classes whose interests it is the duty of Government to protect, if for no higher reason than that the prosperity of Hongkong depends so largely upon their welfare. For the Colony needs a plentiful supply of labour, and whatever tends directly or indirectly to restrict the influx of labour tends proportionately to handicap us as against our rivals in trade at other ports. There are those who hold that this depreciated coinage does not affect the working classes; that even though the cost of food and shelter may have risen as a consequence, wages also have risen in sympathy. This I deny. I deny that the rickshaman, the chair-bearer, the coal and cargo coolie and the host of other daily paid workers, are earning more to-day than they did before this evil arose. On the other hand, it is an undeniable fact that a 10 cent piece to-day has not the purchasing power it had then. I will not, however, enter upon controversial matters, but confine myself to one broad aspect regarding which I think we can all agree. No amount of theoretical argument can undermine the principle that a stable currency is essential to the prosperity of an industrial community; no amount of sophistry can upset the fact that a 10 cent piece, which at all times is worth the tenth of a dollar, is a better medium of exchange than one whose value fluctuates daily. Therefore, I take it that however much we may disagree on matters of detail or upon side issues, we are unanimous in recognizing the value of a stable coin. And I assume that no one will claim that our pressent coins possess stability. As to a remedy, I suppose the one which every honourable man would like to see applied is redemption—redemption at par. But however much we may yearn after virtue in the abstract, on this particular occasion it becomes impossible when the cost is taken into account. For there have been issued from time to time an aggregate of over 40 million dollars worth of small coins, silver and copper; though how much is now in existence as money it is impossible to say; and any scheme of redemption would therefore require to anticipate an enormous loss—indeed anything up to four million dollars; so that this solution passes beyond our reach. Two years ago I advocated prohibition, and rightly so, I think, because I believe it could have been accomplished then without friction with Canton. To-day I do not advocate prohibition, because I think it cannot be accomplished without such friction. And the interests of Hongkong being so interlaced with those of Canton any act likely to involve dissension between the two communities is to be deprecated. The remedy I advocate now is to have a new coinage redeemable at par. To effect this reform it would be necessary that new coins be struck which should be of exactly the same weight and fineness as the old, but with a different superscription. The old coins would then need to be demonetised, and it is perhaps upon this point alone that any disagreement with my proposal may arise. The profit on minting should be kept in reserve, not as in former years passed to revenue, but the interest on reserve might properly be appropriated as revenue. The demonetisation of the old coins need not, I think, trouble the conscience of Government, because the operation would cause the community no more loss than they have already suffered; and in any case the Government, if it felt morally bound to redeem, would only require to do so in regard to those actually in the Colony; for as regards the millions of them in China the Hongkong Government has no responsibility, moral or otherwise. They were sold as a commodity just us a merchant sells his wares, and the Government never having by promise, implied or otherwise, undertaken to redeem them is no more under an obligation to do so than a merchant is under an obligation to receive back merchandise, which has fallen in value since he sold it. This, sir, is the proposal which I think will meet the difficulty, and if Government act upon the idea they will have done its duty by providing a healthy currency which it will be within every man's option to use; whilst those who elect to continue using the old coins will have no one but themselves to blame for any loss they may suffer.

Hon. Mr. GRESSON—Your Excellency, it appears to me on going through the figures shown on page 19, which show an estimate of expenditure over revenue of $42,700 odd, that these are not actual. If you will refer to the item Miscellaneous Services you will see that the actual expenditure in 1908 was $374,000, and the approved estimate for 1909 $197,000, and the revised estimate for the same year $307,000. The estimate for 1910 is $144,000, so that the difference between the revised estimate of 1909 and 1910 is therefore $163,000. I have already made some inquiries as to these figures. I do not know that they are entirely satisfactory, and in dealing with these two columns it seems to me that you run a very good risk of running out your not small debit balance of $42,000, to a debit balance of $200,000. I would also like to refer to the total increase of expenditure, which shows on these figures a difference of $518,626, to which must be added items of interest on the railway, which, for the future, I understand go to the capital of the railway. A sum of $276,000 odd was provided for that in 1909. In 1910 I understand it will be somewhat more. Taking the smallest, our expenditure has increased by $795,116. It is very easy to find, by analysing these columns, how these various items have been arrived at. There are very few, I am sorry to say, which show a decrease. Police and Fire Brigade showed in 1909 a special expenditure of $35,000, but for 1910 there is no special expenditure. Coming down to the Sanitary Department, we find that, after all the talk of saving, the total saving is only $12,000. Now we come down to what I consider is the most important figures in this column—$374,000 for special land resumption. I understand that this land is to be used entirely for railway purposes, and your Excellency has quite rightly told us that it was proposed in future to debit the railway with that cost. But it seems to me that as this land is required for railway purposes the amount should rightly go to railway capital account. There seems no good reason to pay for this railway site out of the revenue.

Hon. Mr. STEWART—This is the great day for riding hobby horses. First, I propose to ride one which I regard with some justification as particularly my mount. It is not to be judged against the 16-hand war horses, Military Contribution and Sub-Coin, old stagers that have been trotted out here for decades by successive riders. Mine is only a five year-old. Five years ago a controversy was started

in this Council in the debate on the Estimates over the fate of the Clock Tower. One speaker was very anxious that it should be taken down and thrown into the sea. Another suggested that it should be removed from its present position and set up at Blake Pier. Whereupon a certain man wrote to the papers and urged that it was a great pity to remove the Clock Tower, as it served as an ancient landmark. A newspaper controversy then set up, and the Government were afforded an opportunity of having the question tested by public opinion as expressed in the local papers. The main contention of those who advocated its demolition was that it constituted an obstruction to traffic. Some said it was ugly and on that account ought to go. Your predecessor was not satisfied that the Clock Tower constituted an obstruction to traffic, and I have been told that he went down to an office near to the place and watched the traffic, so that he could form his own judgment as to whether the allegation was true or not. The result, I have always understood, was that he considered that no such serious obstruction was caused as to justify the demolition of the old Tower. At any rate, the Governor, then, was satisfied that the upholders of the old landmark had the best of the argument, and he said that as long as he remained here the Clock Tower would stand. Consequently I was much surprised to see early this year a letter in the newspapers written by the Colonial Secretary informing the editors of the local papers that the Government had decided to remove the Clock Tower as soon as the new Post Office was ready to receive the clock. That did not seem to me at all a proper thing to do. There had been no new public discussion. The matter had been previously decided by public discussion and there was no ostensible reason for re-opening the question at all. Since then I have been told that the reason which chiefly guided the Government in this case was economy—that the Colony having spent nearly seven lakhs on the Post Office could not possibly find the money to put a new clock there. The reason why those who helped to save the Clock Tower five years ago did not come forward and object probably was that at present, while the hotel is being rebuilt and the hoarding round it crosses the road halfway, the Clock Tower does constitute an obstruction to traffic. I now ask that the question be allowed to stand in abeyance until the hotel is finished and until the Post Office is removed to its new dwelling. It will then be possible to see whether there really is any obstruction to traffic or not. I deny for my own part that the old tower is ugly. That of course is only my opinion, and possibly it does not impress you very much, but I derive support from the fact that in the opinion of the architect who designed the building referred to this afternoon, that of Messrs. Jardine, Matheson & Co., admittedly a beautiful building, a credit to him and to the Colony, the Clock Tower in not ugly and does not deserve on that account to be destroyed. As regards the remarks made by the hon. member who represents the Chamber of Commerce on the subject of the military contribution, the unofficial members do not see eye to eye in this matter. The hon. member has renewed his protest against the idea of this Colony being called upon to pay a fifth of our revenue. He said that we pay too much. I don't agree with him. I will not say that we might not pay too much some day if our revenue were to increase fourfold. I understand that at present we only pay about one-fourth of the cost of the garrison—

His Excellency—Slightly over that.

Hon. Mr. Stewart—If our revenue were to increase four-fold we would pay the whole of the cost of the garrison, and that manifestly is unjust. Therefore, I renew the suggestion which was put forward last year that some new method of reckoning is called for. Last year your Excellency told us that you had in contemplation some such scheme and that you were about to refer it to the Secretary of State for his approval. I presume, as we have heard nothing more about it, that his approval was not forthcoming. The point I want to make is that I don't consider the taxpayers of this Colony pay too much at the moment for the security they enjoy. I have listened with much interest to the speech of the hon. member on my left (Hon. Mr. Osborne) on that most difficult subject, subsidiary coinage. I hesitate at any time to speak on any subject without most careful preparation. I hesitate in particular to speak off-hand on a subject of such extreme difficulty and delicacy, and I do not propose to say more than this—Without committing myself to the hon. Mr. Osborne's scheme I may say he has put the argument for the necessity of redemption in a new light. The view that if we issued new coin we should be called upon by a strong moral claim to redeem the old has always checked my ardour in the direction of advocating any such step, but after having heard what the hon. member has said I am not prepared to say that we are morally compelled to redeem. I would prefer to reconsider the matter. As one of those who have consistently advocated inaction, I am opposed to the critics who freely blame the Government for their Fabian policy. I consider it particularly unfair that the Government should be thus blamed. I cannot conceive how they could have done anything. The Government cannot conceivably regard the information received from the British Minister at Peking except as authoritative. If the British Minister at Peking encourages your Excellency in the hope that China is really about to reform, is really sincere in her desire to fall into line with modern methods, and in those promises of reform of which we hear so much, then I don't see how you can take a line of your own. It is only on the assumption that the Chinese Government will really do nothing that this Colony would be justified in taking a line of its own. I am one of those who consider that we should be extremely careful not to erect any barriers between this and Canton. Commercially speaking Hongkong is part of China, and to cut ourselves off by ever so little from the freest possible intercourse with Canton would be in my view of our special circumstances extremely risky, and it can only be justified by the very strongest need, so that as long as there was any hope that China was going to reform her currency our Government were wise to do nothing. Apparently that hope is still held out. Your Excellency said only a fortnight ago that His Britannic Majesty's Minister had suggested to you that the financial embarrassments of the Chinese Empire were such that she was most anxious to induce Treaty Powers to allow her to raise her import duties. I understand that he told you that they would require her to reform her currency, and to abolish *likin* as a *sine quo non* before granting her request. I turn from that very important and most interesting subject to a small matter which invites comment. Your Excellency referred to the fact that the wide field opened up by the discussion on the Estimates provides opportunity to explain and defend general lines of policy, and you took occasion to defend the Government's policy with regard to the subsidiary coinage question. I wondered that Your Excellency did not also take occasion to reprobate the unlicensed character of much of the anonymous criticism which appears in the local Press. Possibly you thought it beneath the dignity of your position. I am not restrained by any such consideration and I am not afraid to speak out. To reply in detail to the mass of criticism which arose over the proposed new liquor taxes is manifestly impossible, but I take this opportunity of protesting against the columns of any of our newspapers being thrown open to attacks upon the probity of those who are striving in any capacity to serve the public. As an instance, I may refer to a letter which appeared in the *South China Morning Post* of August 19th, mendaciously signed "Fairplay," suggesting that it was doubtful if any member of this or the Executive Council could be found willing to decide a certain public question without considering his own pocket when giving his vote. The insinuation clearly was that the members of this Council and of the Executive Council could not be trusted to put the public interest before their private pecuniary interest. I resent such imputations being put upon the members of this Council, and as long as I sit on it I shall not sit silent and allow any local editor, unrebuked, to give prominence to such a suggestion. Such a suggestion is no doubt estimated locally at its proper value as a mere reckless libel. But for the credit of the Colony outside of the Colony, the publication of such unfounded insinuations is much to be regretted. It is at least conceivable that by the unchecked multiplication of them our interests might adversely be affected. I take it that the prestige of the Colony is one of the interests of the Colony. I take it that the prestige of the Colony suffers if this Council is brought into contempt. It is particularly unfortunate at the present time when opinion in England is apt to misjudge Hongkong's attitude towards the opium policy of His Majesty's Government, in its application to our finances. I have read a good deal, one way and another, which indicates how ready is "the man in the street" at home to assume that we have been guided in our attitude solely by selfish and interested motives. An illuminating, though unimportant, instance of this tendency forced itself unpleasantly upon my notice not long ago, when I received a letter, from Manchester, addressed to me as the unofficial spokesman in a recent debate. The writer accused me of being suborned to defend the opium vice. He did not sign his name; he did not give his address. I could not therefore reply. I take this opportunity of doing so. I take this opportunity of telling him that the unofficial members of this Council are not the kind of men he takes them for; and of assuring him that I myself have no personal interest in, or connection with, opium. It so happens that I neither smoke it nor eat it. I neither buy it nor sell it. Neither has my voice and vote in this Council been inspired by those who do. I take the trouble to deal with this remote critic, not because I consider him, or any anonymous letter writer, worthy of direct notice, but because I take his malignant accusation to be significant of the uncharitable state of mind into which ignorant people are liable to be brought by the exaggerations and misrepresentations of the leaders of the extreme section of the anti-opium agitators. They are to blame for Home-grown misapprehensions such as that Hongkong is "a Hades for immorality," one of the assertions made by my Manchester correspondent. But how much more difficult must it become to remove such misapprehensions if insinuations, originating in our midst, such as those made by "Fairplay," are allowed to pass without contradiction or comment? I protest against any newspaper supported by the Colony being used to supply fabricated material for the manufacture of false impressions calculated to damage the Colony's good name. Solicitude for the Colony's good name is not altogether unconnected with the solitary comment which I have to make on the Estimates. Before resuming my seat I desire to make at least a passing reference to the subject properly under discussion. This time last year I described the Budget for 1909 as "a makeshift Budget," in allusion to the fact that it was balanced by a windfall. That was its outstanding feature. The outstanding feature of the present Budget is that it is balanced by a guess. All estimating is guesswork, but usually there is past experience to go by. There was nothing to go by in estimating the yield of the new import duty, and so, apparently, the extent of our needs decided the matter. Broadly speaking, our need was for six lakhs, not counting the shortage in the opium revenue. In passing, I would just touch gently on the fact already referred to by the hon. member for the Chamber of Commerce, that we are still without any information as to the precise meaning of the word "substantial," as used by the Secretary of State. When the Bill closing the divans was brought in we were urged not to delay its passage because, until the law on that subject had been made known, you couldn't advertise for tenders and so couldn't find out your loss. That was why you couldn't ask the Secretary of State what his promise meant, and until you found that out from him, you could not get on with the Estimates. These I understood were your Excellency's reasons for urgency. What has become of them now? The farm has been tendered for; the loss due to closing the divans ascertained; you have no doubt communicated it to the Secretary of State. Does he make no reply? Or have you sought the required information by letter? If so, it would seem then that there was really no urgency at all. But I

really think our justifiable curiosity as to the meaning of the word "substantial" warrants the despatch of a wire. To return to the subject of our needs, not counting the loss on opium. Opinions were divided as to the probable yield of the new revenue from alcohol. Some said it would yield a million; others less than half that. Compared with the higher guess, that of the Government seems moderate enough and then—it exactly makes ends meet. Later, in the course of your Excellency's introductory remarks, it seemed to me that I caught the suggestion of a hope that the yield would exceed the estimate, and that this source of revenue might in any case ultimately be relied upon to increase. I confess I did not like the sound of that. I view with concern the possibility. If this Colony pays more than six lakhs of duty on intoxicating liquors consumed in it, the inference will be irresistible that the Chinese are taking to drink. The number of European residents in the Colony shows no signs of rapid increase, and it is a matter of everyday comment and congratulation that the consumption of alcohol by individual members of the rising generation markedly decreases. If, therefore, with the sources of information at your command, Your Excellency considers it probable that there will be an increased yield from this new source of revenue, it means that a progressive increase in the amount of alcohol consumed by the Chinese section of the population is anticipated. I wish to direct attention particularly to the fact. I trust it may obtrude itself upon the notice of the Secretary of State. I wish there was the smallest chance of its being taken to heart by those who seem to think that the prevention of opium smoking will prove an unmixed blessing to the native population. A leading medical practitioner tells me that whereas formerly he never had to treat cases of alcoholism among them, now he frequently has to. The other day at Your Excellency's table a Chinese gentleman of position assured me that in Canton, among the well-to-do, the opium habit was fast dying out and that a new fashion for drinking beer and brandy was as rapidly coming in. That a similar change is taking place among the Chinese in Hongkong is said to be the case. The fear that an increase in the evils of alcoholism in this Colony would be the immediate result of the abandonment of the opium habit has frequently been expressed by many among those who bring to a study of the question neither the wilful blindness of the political partisan nor the inevitable shortsightedness of the bigot. Naer ly all the anti-opium writers appear to assume that the evil of over-indulgence in it is derived from the opium itself, in some way special to this particular stimulant, instead of from the defective will power of the victim. That is where opinion divides on this question. If you attribute vice to weakness of character you will think that the removal of one form of temptation will inevitably lead to the substitution of another. An apt instance of this occurred in England not a hundred years ago. There was a so-called wave of temperance. People took the pledge in great numbers. They gave up alcohol suddenly, without any previous training and discipline of the will. What was the result? They took to opium. Immediately there was a new scare and alcohol returned triumphant. The reverse of this threatens to happen here, and in Canton. This was and is our main fear. Some of us incline to the perhaps old-fashioned belief that you can only cure the weak-mindedness, of which the opium habit is merely an indication, by means calculated also to provide against opium being replaced by other forms of intoxication—by supplying religious or patriotic motives sufficiently powerful to strengthen the will power of the individual against excessive indulgence of every kind; by popularising, among the rising generation those primary manly virtues which war with all sottish habits. Pending the growth of a sentiment sufficiently powerful to thus uplift the Chinese people, we in this Colony have had to consider what the effect would be if the place of opium were to be taken by some other even more pernicious stimulants, say, for instance, by that dangerous hemp product which is capable of animating with a murderous courage even the cowardly political assassins of India. Almost as bad would it be for the preservation of the King's peace if new whisky were to become the favourite stimulant of the main body of the population. In that case the Captain Superintendent of Police would have a busy time. New whisky is, we know, a maddening poison. Crimes of violence would increase and our quiet midnight streets might come to rival in disgrace the slums of Liverpool or Glasgow. Luckily the Chinese have so far not developed a liking for whisky. On all hands I find confirmation of the statement that they prefer brandy and beer. I understand also that they are taking to stout and port wine. But, even so, I regard the prospect with concern. It is consoling to believe that they will prove less obstreperous in conflicts with the police. But it is grievous to be compelled to consider such a prospect at all. Indeed, when one reflects upon the colossal nightmare of alcoholism which darkens all our dreams of Western civilization, the fear that the evil may spread Eastward with the growth of commerce and industrialism must give every man pause. Every man who recognises alcoholism as a great evil must pray that it will not increase among the Chinese and will side with me in hoping that you will not get the anticipated six lakhs necessary to balance this Budget, and further that you will be forced to rely less and less upon this source of revenue as time goes on. My objection to your leaning heavily upon it is not based solely on sentiment, though my objection might be none the worse for that. It appears to me to be advisable that the Government should lean for financial support as lightly as possible upon revenue derived from alcohol for a prudential if remote reason suggested by the interesting fact that when the Opium Farm was first started in this Colony, the Colonial Treasurer, after objecting in vain against it, on the ground that it was improper to get revenue from vice, resigned. The whirligig of time has revenged him, and inasmuch as it is the avowed object of the best and most consistent writers on the opium question to attack alcoholism when once opium is out of the way, perhaps we should not altogether disregard the warning. It is at least conceivable that a strong sentiment against the use of alcohol may some day sweep England—possibly, at some time of national humiliation, occasioned, perhaps, by a narrow shave from destruction in some great war—when the voice of the doctors and the preacher will be listened to. In such a case, we might receive some fine day telegraphic instructions to close all public-houses forthwith, and our present and approaching troubles over the readjustment of the burden of taxation would, if by that time we were dependent largely upon the revenue from alcohol, recur. (Applause.)

Hon. Mr. WEI YUK—Sir, I support the remarks of the hon. Mr. Stewart with regard to the Clock Tower. I think it is a pity to have it removed. It is an old landmark and it ought to be allowed to remain where it is.

Hon. Dr. HO KAI—Sir, I rise to generally endorse the remarks and views expressed by my unofficial colleagues. I say generally endorse, because I have no hobbies, and I do not endorse all the remarks of my hon. friend Mr. Murray Stewart, especially his remarks about the closing of the opium divans, and his fears regarding the Chinese in this Colony taking to drink in case of opium being prohibited. Sir, I may remind that hon. gentleman that the opium trade is doomed, and no more argument, however eloquent - (hear, hear)—will make a jot of difference. The mighty nation of England has issued the mandate that since China has desired, on account of the many people who suffer from opium, that the import of the drug and its growing shall be stopped, that it shall be stopped, and now no power in the world will prevent it. (Hear, hear.) Sir, is it logical to suppose that if you were to wean someone of a particular vice the fear of his falling into another would prevent you from putting forth restraint?

Mr. STEWART—No.

Hon. Dr. HO KAI—Certainly not, and I am very glad my hon. friend says so. Now, so far as the opium trade is concerned it will die out if China will carry out her policy of suppressing its production, and the foreign Powers will assist her in putting a total stop to the importation of opium; and the time will arrive when the country will have got rid of the vice, and when the people will prosper and progress, and the reformation which at the present time is only being attempted by a few of the leading men of China will become a reality. But if the opium vice is not stopped we may wait for the Greek Kalends before any reformation can be introduced. Sir, as regards the military contribution, I wish not to discuss the fairness of the Colony contributing a certain amount, but to ask your Excellency whether you will not make known your plan as to the calculating of it. Your Excellency, when speaking in September last year, "the incidence of this contribution does not however fall, as Mr. Chamberlain desired it should, so that in times of increased prosperity the Colony should be able to devote a larger sum to its defence and in times less prosperous it should contribute less." Now, sir, you told us the other day that the Secretary of State had already decided to appoint a committee to inquire into the incidence of this contribution, and I would suggest that your Excellency should consider whether it would not be wise at the present moment to appoint a few members of Council, official and unofficial, to elaborate the scheme your Excellency had in mind, and also send information to the Secretary of State to assist the committee appointed in coming to a fair conclusion on the matter. If we do not do so, the Secretary of State and his committee may arrive at wrong conclusions, and we will be blamed for any mistake or misconception made. As regards subsidiary coinage, I must say that I was much struck by the views expressed by my hon. friend Mr. Osborne. I think the subject well worth the consideration of the Government, and his scheme seems to me at first sight, at all events, to be quite practical. I would recommend the Government not to wait for any length of time for the reformation of the currency in China, because, from the signs of the times, and notwithstanding what people have said in support of currency reform, I am quite sure that the Chinese Government could not introduce such a reform within a reasonable time. Those who are acquainted with the system of administration of the different provinces in China, and also of the means used for raising local revenue for contribution to the Central Government, and also for local funds, know that coinage affords a large source of revenue to particular provinces, and were it not for this the provincial governments would find great difficulty in making up their contributions to the Peking Authorities. Therefore it is almost impossible for them in the near future to cast out this source of revenue and adopt a uniform standard throughout China. With regard to the dumping of dead bodies and the carrying out of sanitary measures among Chinese, I think your Excellency will expect me to say a few words. I thank your Excellency, on behalf of the Chinese community, for your handsome appreciation of the efforts of the leading Chinese in assisting the Government in putting down body dumping, and also of the diffusion of knowledge of sanitary matters among the Chinese in general. The success which attended their efforts is largely due to the relaxation of the stringency of sanitary measures, and I hope that the Government in future will be able to secure the co-operation of the Chinese by timely concessions which are consistent with the carrying out of the sanitary regulations of this Colony. I can assure your Excellency of the co-operation of the leading Chinese, and so long as their advice is listened to, they are not afraid to take up the responsibility of spreading sanitary knowledge in the Colony among their own countrymen. In connection with this I wish to refer also to the district dispensaries. Your Excellency knows that these dispensaries were started voluntarily by leading Chinese, and their existence is justified by the work that they have done, and that they are going to do. I hope the Government will assist them but not control them. The dispensaries are supported entirely by voluntary contributions and should not be subjected to Government control. With regard to land sales, I

disagree to some extent with the hon. member immediately on my right. He seemed to think that land sales for a few years would not increase, but I think that with the return of prosperity in the Hongkong trade and that of China, and with the irksome sanitary regulations removed, resulting in a restoration of confidence among the Chinese people and their families, that we shall find the demand for residential areas very great, and in the near future I anticipate they will be disposed of by the Government and that Chinese will invest more money in landed property in the Colony. In connection with the Sanitary Department I must express regret that in the retrenchment proposals a capable officer has been pensioned off, but I refrain from saying anything about it, as one of my hon. colleagues is going to ask a question later on. It seems to me a pity that a man of such great experience and one so much respected by Chinese should be pensioned off the service list of the Colony. (Applause.)

The COLONIAL TREASURER—Your Excellency, the hon. member opposite in making observations on the abstract of expenditure and in referring to the miscellaneous services argued that in 1908 the actual expenditure was so much in excess of the estimate, and that as the estimate was exceeded again this year there was an actual increase of something like three lakhs. I would refer the hon. member to page 36. Amongst those items is an item for loss on subsidiary coin, and I may inform him that in 1908 the loss on this was $164,674 and last year the loss was $134,000, while the estimated loss was only $36,000. The loss next year on subsidiary coinage will not be anything like the loss this year, as in your speech when this Bill was brought before the Council, sir, you mentioned that the principle of demonetisation would be no longer carried out, but the principle of selling coin at the market rate, which meant, of course, only a five per cent. loss, whereas if we demonetise the amount varies from 14 to 17 per cent. on its face value.

The DIRECTOR OF PUBLIC WORKS—I would like to make a few remarks in reply to the speech of the hon member who criticised public works. He referred specially to the increase in the estimates for the Law Courts and the Post Office and the increased expenditure on the original estimates of $400,000 or $500,000. In 1907 the figures were there, so I conclude that the hon. member thinks he is paying too much for his whistle. I can only say that those buildings work out at 10d per cubic foot, which is quite cheap; that class of building at Home works out at 1/2d. In his comparison of these buildings with the one he referred to, and which I was going to say was not in the same street, I might mention that that building was only a brick structure, although I admit that it is of good design and a credit to the Colony. The question of delay was dealt with three years ago. It was pointed out that buildings of this size have taken from seven to nine years to build in this Colony, such as St. George's Building and the Hotel Mansions. It was stated that the Law Courts would be completed at the end of three years and I have no reason to doubt that it will be ready for occupation by the end of 1910.

The COLONIAL SECRETARY—The question of the removal of the Clock has been under discussion, and perhaps it will be useful if I very briefly review the history of the question. Of course, it is obvious that the Tower originally stood on the water front. In 1901 the Praya reclamation being completed and a large pier projected from it, Sir Henry Blake recommended that the new tower should be erected at the base of Blake Pier. That was approved, but the project was abandoned owing to financial reasons. In 1904 a then unofficial member of this Council, Mr. R. Shewan, in criticising the Estimates, asked the Director of Public Works when he was going to remove the Clock Tower. In the following year another unofficial member, Mr. Gershom Stewart, spoke as follows: "If your Excellency would further take the Clock Tower by the hand and lead it down towards the water front and endow it with a large clean new face so that it could pass the time of day to every ship in the harbour, a busy street would be relieved of a long-standing congestion and a considerable improvement would be effected." Your predecessor, sir, recommended to the Secretary of State that a tower should be added to the Post Office, and a clock erected in that tower in order, of course, that the clock might serve a really useful purpose and be seen from the harbour, but stated at the same time that opinion on the subject of the removal of the old tower was divided, and that he proposed to leave it where it stood for the present. He added that if in a few years there was further objection on the score of obstruction due to increased traffic in Queen's Road, its removal would again be considered. He expressed the personal opinion that with the transfer of the Post Office and Supreme Court to this new location, the traffic of Queen's Road would rather diminish than increase. At the beginning of this year when arrangements had to be made for adding a clock tower to the Post Office the question of the removal of the old tower again came up. By your Excellency's direction I put in the newspapers, after, I may mention, the removal had been approved by the Executive Council, a short paragraph to the effect that it was intended to demolish the old Clock Tower. The object was to give the public notice of what was going to happen, as the question had been in abeyance for some time, and to give those who favoured the retention of the Clock Tower an opportunity of expressing their views again on the subject. You have at present, sir, under consideration whether in the present state of the finances it would be worth while erecting a costly tower at the Post Office. Till that question is decided, the question of the removal of the existing tower does not press. At the same time, as the Government is at present advised, it considers that the Clock Tower is an obstruction, and cannot bind itself to make any promise as to the indefinite retention of the old tower on its present site.

HIS EXCELLENCY—Gentlemen,—I will endeavour as briefly as I can to answer the various points made in the speeches of the unofficial members. The hon. member who spoke first opened with several questions regarding the revenue derived from opium, and the hon. member at the end of the table added more definite questions as to whether I had communicated with the Secretary of State, and whether any reply had been received from him as to the substantial part of the direct loss on opium the Home Government promised to restore. He also referred to the fact that the Government had said that it was in difficulty in proceeding with the Estimates until such time as we should know what that sum would be, and commented on the fact that although the Estimates had now been produced, we still did not know. The facts are briefly, that as soon as I knew the amount of the opium tender I telegraphed to the Secretary of State, and have not yet had a reply from him. The Estimates in the meantime had to be proceeded with, and you will recollect that in speaking on the subject of the new liquor duties I told the Council that the original resolution to increase licence fees would not have produced sufficient revenue to meet our deficit, and the Government withdrew that resolution and at the instance of unofficial members duties on liquor were instituted for increased fees with the result that we now expect to have sufficient revenue to make good the deficit of last year and also the loss on opium. The hon. member said that the outstanding and salient feature of the Budget this year was that it was founded on a guess. That is so. We had no previous experience to go upon to enable us to forecast with any precision the amounts likely to be derived from the liquor duty. We can, however, form some rough estimate, more or less parallel to the case. The liquor duties in Singapore have guided us to some extent in the amount we have put down in the Estimates for next year. The hon. member also reminded me that I had said that I hoped in 1911 we should be able to meet our increased liabilities on account of the railway by a larger return from, amongst other things, the liquor duties. That amount will accrue largely from better collection, that is to say, that during the coming year we have got to form and organise system which is new to this Colony, and I hope our returns will continue to improve and increase when we learn the system best fitted to the circumstances. I will not deny that I do not anticipate, as I said in a memorandum laid before the Council on the subject of opium, that it is not improbable that forcible restriction of opium may tend to encourage the use of alcoholic drinks among the Chinese here. I heard with great pleasure what was said by the senior unofficial member, who hopefully believes and trusts that his countrymen will not be so induced, but I speak as one more or less guided by the teaching of history. We know that in all nations the use of some stimulant is universal. We know that when that stimulant has been withdrawn some substitute is inevitable The hon. member at the end of the table (hon. Mr. Stewart) in speaking on that subject said he hoped and—I echo his wish—that the Chinese would not seek a new stimulant to replace opium He is a student of history, and I would remind him of the description given by Smollett of the state of the English, if I remember aright, in the early part of the 17th century. He presents a picture of the extreme degradation which the lower classes in England had fallen into at that time by the use of what is called Geneva, a kind of gin imported in vast quantities into West Africa, and used in very low class houses, such as opium dens are supposed to be in England. No substantial decrease of this vice was effected by any of the methods instituted to control it until a wholesome class of beer replaced this deleterious gin. In this way that evil was got under control. I can say, therefore, that in my own personal view I welcome the introduction of these liquor duties, not only as a legitimate form of revenue, but as possibly a means of checking an evil whic I fear might arise in this Colony. (Applause.) In that connection it may be interesting to the Council if I quote figures which I looked up this morning as to the comparative incidence of liquor duties in Hongkong and the United Kingdom. I find that the duties which we propose to collect stand at nine per cent. of the ordinary revenue and 8.7 per cent. of the total revenue of the Colony, whereas in the United Kingdom the revenue derived from liquor duties is 28 per cent. of the whole revenue derived from taxes and 23 per cent. of the total revenue. The figures are: Revenue derived from taxes, £125½ millions, total revenue £151½ millions. Revenue derived from liquor, £35 millions. I am at a loss to understand to what the hon. member who represents the Chamber of Commerce was alluding when he said he feared that I had inferred that the imposition of liquor duties would decrease the Imperial grant in respect of the loss on opium. I had no such idea in my mind when I introduced the Budget. The next point raised by the hon. member was the allusion I made to a possible increase of fines and forfeitures, but he will observe on looking at the figures in the Budget that the anticipated increase is based on the actual receipts for the last year. The increase is based on the actual amount received on that account during the last financial year and not on any possible further increase due to liquor duties. I need not deal with the complaints that the Estimates framed by the Public Works are sometimes insufficent to meet actual expenditure. That has already been dealt with by the Hon. Director of Public Works, and I think that that is a condition of things with which the government of every Colony is more or less familiar. Certainly it has been my own experience. You must remember that when the Estimates which are presented to this Council are first framed and receive the sanction of the Council there is still a further process to be undergone. They are referred Home, and if a work is of considerable magnitude it is submitted to the consulting engineers, and it not infrequently happens that these consulting engineers suggest alterations of importance, possibly of vital importance to the stability and success of the work. And in most cases those alterations are responsible for part of the increase. This was the case with the Law Courts. I am unable to give the positive assurance asked for, that the Law Courts and Post Office will be completede arly in 1911. I can only hope that the Director of Public Works' forcast will be fullfilled.

In regard to the increase alluded to in the railway, I have already explained more than once that the estimate of $8,000,000 first framed by the Chief Engineer did not include several considerable items which have since been added, and have increased the estimate. In regard to the Postal Agencies, I am unable as yet to give you definite information I have received a number of replies from the various Treaty Ports, and some agree to pay the amount for which they have been asked, while others do not. In reply to the questions concerning the Observatory, I have been in communication with His Majesty's Minister in Peking on the subject of the installation of a wireless telegraphy station on the Pratas Island, and I may say I have considerable hope that the representation I have made will produce the result we desire. The subject of the institution of a wireless station on this island also is now under consideration. Referring to the military contribution, I am very glad to hear what has been said by the various unofficial members, for I gather that there is a unanimous feeling that the contribution is not excessive, though they consider as I do, that the method by which it is levied is unsatisfactory. I said when speaking last year, that I had given considerable study to the subject, and it occurred to me that the incidence would better achieve the object in view when it was instituted if it formed a portion of the margin or difference between ordinary expenditure and ordinary revenue, and I said I had not at that date quite decided whether or not to submit my view to the Secretary of State. As a matter of fact, in order, as I considered, to make my argument complete, I desired information of the amount paid for military defence in various other Crown Colonies of the Empire. addressed a number of letters to these Colonies, which have been, for the most part, very long in replying. When, however, I received news that the Secretary of State was about to take up the question and appoint a Commission, I again went into the subject and I have been occupied with them for the lastfew days. I intend, probably by next mail, to submit suggestions for consideration by the Commission which the Secretary of State is appointing. I don't think it would serve much interest to appoint a local committee to report on the question, because the report would in all probability arrive too late. I hardly needed the reminder, which the hon. member of the Chamber of Commerce was kind enough to give me, that the subsidiary coinage question is a difficult one. Up to that point we are all agreed, and although we differ on many other points we are equally, I think, agreed on the radical principles laid down by my hon. friend Mr. Osborne. When I say the radical principles, I refer, of course, to those larger principles which he enunciated of the absolute necessity of having a coinage circulating at par, and so forth. Whether the fact that the ten-cent piece has not the same purchasing power that it had is due to what we call the coinage question, or whether it does not to a large extent depend on many economic causes as well is a matter of opinion. Whether redemption at par if possible would be a complete solution, and would drive out Chinese coinage from this Colony, is also a matter on which I think all are not agreed. But the important part of the hon. member's speech referred to what he called the creation of a new subsidiary coinage. That suggestion I made myself and discussed three years ago in England before I came to this Colony, and two or three days ago I had an extremely interesting conversation on this very subject with the hon. member at the end of the table, when we discussed this very proposal I am in the same position as my hon. friend; that is, that I would sooner give this matter further consideration. The objection which has been raised to the proposal is that it is an immoral one; that it means repudiation. The argument on the other hand is that the coins were taken from the Colony by China for her own purposes and without our invitation and that they have been used by her for her own purposes and depreciated by use and that we are not therefore responsible for redemption. It is a very debateable point. Even if a new coinage were introduced, which circulated at par, there is still the query as to whether it would wholly drive out subsidiary Chinese coinage. However, this is not an occasion on which to go into this subject with great deliberation. But the proposals which have been made by the hon. member shall have the most careful consideration of the Government, and I have no doubt we will receive information from outside as to how they are regarded by the community. The hon. member on my left (hon. Mr. Gresson) raised a point regarding the amount of the vote under the head Miscellaneous Services. Hon. members are aware that the sums provided in the Estimates, more especially the "Pensional Emoluments," are never fully spent, for vacancies in appointments, absences of officials on leave on half pay, and similar causes give rise to a credit balance. This credit balance is available to meet unforeseen expenditure sanctioned under Financial Minutes presented to Council at almost every meeting. The expenditure so provided for, if it does not belong to any special vote on these Estimates, is usually included under the Miscellaneous vote. In my opinion that is to some extent an improper procedure unless the amounts are small. Items of importance should be entered as new heads in the statement of accounts at the end of the financial year. It is in order to small amounts should be debited to carry out this principle that the vote by next year would be reduced from $200,000 to $5,0 0 and is explained in my speech it is not a question of retrenchment. It is simply a question as to how items of unforeseen expenditure shall be shown at the end of the year. I hope I have made myself clear. The fact of an excess shown under that vote in past years is in no sense indicative that the total Budget for the one year was exceeded. We have a large margin for the year accruing chiefly from the personal emolument excess. Regarding the question of beacons at the Douglas and Bunansiah rocks and the alternative suggestion of a beacon at Maiwan in the Capsuimun Pass, this will receive fullest consideration before any decision is taken on the subject. I did not mean to infer when I referred to the probable expenditure on beacons that any definite decision on this point had been taken. I heard with very great interest what the hon. member on the right at the end of the table (hon. Mr. Stewart) had to say on the question of local newspapers, and to what he said there is nothing for me to add. The Government welcomes intelligent and well-meant criticism. (Applause.) We do not desire that it should be absent, but we do desire that the criticism should as far as possible be based on accurate information, and since I have been in this Colony I have extended to all members of the Press an invitation to ascertain the facts of a case before they dealt with it when they desired to do so. If they have not availed themselves of that opportunity and have in consequence published statements which were inaccurate the fault does not lie with the Government. I entirely concur with what was said by the hon. member that the constant villification, or, at any rate, depreciation of the Colony is not conducive to the dignity of the Government in the eyes of those who read those papers which are circulating through China and the neighbouring Colonies. (Applause.) I regretted very much in this connection to see a day or two ago that the judge of His Majesty's Court at Shanghai had to give it as his opinion that if some remarks in Hongkong papers concerning a trial had been made within the jurisdiction of his Court, they would have called for serious notice. The hon. member on my left (hon. Mr. Gresson) raised a point with regard to the expenditure on the railway which I regret to say I was unable to distinctly hear or to catch the drift of, and my hon. friend on my left was unable to inform me. If it is a matter on which you desire that I should make a statement for your information, I shall be glad to do so if you will be so good as to repeat what you said.

Hon. Mr. GRESSON—What I wanted to state was that it appeared to me that if the interest on the money borrowed to build the railway went to the capital account of the railway it was quite correct. Similarly this land resumption which is to be used for railway purposes should be so treated.

HIS EXCELLENCY—It was not the question of the land resumption but a prior question having regard to several lakhs of dollars.

Hon. Mr. GRESSON—No, sir. I referred to $374.000. In a nutshell my contention is that the railway station site should go to the capital account of the railway—(hear, hear)—and not be paid for as is apparently intended out of revenue. If you do not debit the cost of your railway station to the total cost of the railway you will arrive in time at an inaccurate cost of the railway.

HIS EXCELLENCY—I had already apprehended the point regarding land resumption, but I thought there was something the hon. member said just preceding those remarks However, as regards land resumption the facts are these. Land was resumed for the terminal station of the railway at Kowloon and the entire cost is debited to the railway. The Government, however, has considered it advisable to buy a neighbouring piece of land which in a few years may be necessary for extension. If the railway had been constructed by a private company they would have had to pay for all the Crown land which has been transferred without charge to this railway. Moreover, as the railway will become a government department it would be improper for it to hold lands (and receive rents for them) which are not in actual occupation by the railway. The land which the Government has acquired is a piece of crown land like any other adjoining piece of Crown land near the railway. If and when the railway should require this piece bought it will be transferred to the railway accounts and shown as part of the construction account. This procedure is common in my experience on all railways. I think hon. members will agree with me that to debit the railway with a piece of land which it is not about to use and may not use for a considerable number of years would be incorrect. The matter was referred to the Secretary of State and he entirely agreed with the view I took. (Applause.)

The Bill was then read a second time, and referred to the Finance Committee.

LIQUORS ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend the Liquors Ordinance, 1909. In doing so he said—In this Bill, sir, I propose to effect two urgent amendments in the Ordinance recently passed. A case has been brought to the notice of the Government where contracts for the sale of intoxicating liquor were entered into before the 17th September, 1909, the date of the passing of the Ordinance. Necessarily these contracts contained no reference to payments of customs duties. Clause 3a of the amending Bill requires that a purchaser should pay duty and any additional charges for landing, storing, etc. As a matter of fact the Council has before it a new clause which has been substituted for 3a in the Bill as originally drafted. The amended clause, I think, is a more practical way of effecting the object in view. The other clause 3b makes provision in case of contracts for sale of liquors duty paid. The substituted section has been adopted from the Imperial Acts of 1901 and 1902, which are later than the Customs Consolidation Act of 1876. It is proposed by clause 3 of the Bill to repeal section 9 of the principal Ordinance. I understand it was never contemplated by this clause to interfere with the private importer of liquor, and from section 9 it seems it will be necessary for him to hold a licence before obtaining a removal permit. The section was, I understand, to impose an additional check on the unlawful sale of liquor by unlicensed persons. The section has been found to be an undue interference with the trade of the port and the Government proposes to repeal it and to introduce legislation to deal with unlicensed importers. A further clause will be submitted to the Council to allow rebates or part allowances in respect of duty paid by the Navy and Army. When Council goes into Committee and comes to that clause I will be prepared to explain.

The COLONIAL SECRETARY seconded.

Hon. Mr. HEWETT—I am very glad of the explanation given by the hon. Attorney-General with regard to clause 3 of the Bill now before the Council, in which it is

proposed to repeal section 9 of the original Ordinance. No explanation was given in the objects and reasons of the Bill, but it has now been put before Council and removed a certain amount of misunderstanding. I may say that I have been approached by some people engaged in the trade of the Colony, and what they feared was that the total abolition of the import duty would prove ruinous to their trade. It would enable importers, say, one man acting for three or four, or for messes to import liquor cheaper than the merchant. This question has received the consideration of those likely to be effected, and it seems to me that some such a scheme as this might be adopted: That a man who imports a limited amount of liquor, say, up to half a dozen cases, should be allowed to import free. Over that amount five or ten per cent. could be considered a reasonable amount additional on his import duty until the sum of $100 was reached. For $100 a fee is provided in the original Ordinance. There is only one other point to which I would like to refer; that is, there is a typed addition to the Bill which I have only seen for the first time since I came into this room. It provides for a refund being made to the military and naval authorities in respect of liquors imported and consumed in naval and military messes and canteens. I would suggest that it would be more equitable and would save an enormous amount of trouble to the Government and those concerned if all military and naval canteens were allowed to import their liquor duty free out of bond. I am right in saying that no liquor in such circumstances could be imported into the Colony and used except under the supervision of some responsible commissioned officer. It appears to me both in the interests of the Colony and the canteens themselves that that would be the simplest and most equitable method of working.

His Excellency—With regard to the remarks made by the hon. member relative to section 9 of the principal Ordinance, I may say that he will have a full opportunity of discussing that in Committee. It appears to me to be an unprecedented thing, so far as I am aware, that if duty is put upon liquor of any sort, and a private person wishes to import that liquor, we should say that he was compelled to take out a licence. I cannot perceive the equity of that, and it does not affect the main question. The point is, we have imposed a duty on liquor; is it an equitable thing, in addition to that, to impose a licence fee? In my own opinion it is, but we shall have an opportunity of discussing that in Committee. As regards the new clause it is suggested to bring forward in Committee regarding import allowances. I may say that the main object of adopting this method which was suggested by the Acting Officer Commanding the Troops was because we were told by him that it was done in several other Colonies. The main reason is in order to check drinking by persons other than soldiers and sailors in canteens and messes. (Hear, hear.) We were told by Colonel Darling that spirits were not sold in canteens, and if my recollection serves me aright he told us it was not a common custom to take friends into a canteen, but what it was when liquor was exactly the same price as in the public house is a different matter to what it is now when it will be less in canteens. Any soldier under this system will be able to get his drink much cheaper in the canteen than in the public-house, and similarly wines and spirits can be obtained cheaper in the officers' messes. It seems to me that the simplest way of checking any difficulties of that sort is to make an import allowance and to fix that year by year by resolution of this Council. It appears to me that the matter is one of great importance and as it effects so large a sum of money it should be included in the Ordinance and not be decided by the Governor-in-Council, and that any alteration from year to year should be made by regulation. That is why this amendment is brought forward instead of being decided by regulations made by the Governor-in-Council. With regard to the general question of exemption of troops I stated myself when the question was raised in this Council that I was in favour of some considerable concession. Colonel Darling told us that a concession was universally made throughout all the Colonies. That the sum total of the troops employed throughout the Colonies of the Empire is a mere fraction to those employed in India. I have served many years in India myself and am open to correction, but I am totally unaware of any rebate given to troops there. Therefore, I think the concession being made in this Colony is a generous and a proper one. But I maintain that it should lie at the discretion of this Council from year to year to decide to what extent the rebate should be allowed, and personally I am strongly of opinion that a system of rebate allowances is preferable to the duty free system. (Applause.) Another point is that small publicans very great, ly resent the freedom from duty of canteens- and under sub-section 4 you will see that a stipulation is put in that an allowance should not be given to a canteen itself in order to reduce the cost of liquor, but should be made a personal allowance to the individual. The object is that the canteen may continue to sell at the same rate as the publican, and therefore it would not be an attraction to others to go to a canteen in preference to a public-house.

Hon. Mr. Stewart—I would like to say that it was only on the distinct understanding that the particular scheme of rebate propounded by Colonel Darling was to be the method employed that I for one voted for a remission of duty.

Hon. Mr. Gresson—I think it possible that the Government is under some misapprehension as to what Colonel Darling said as to this rebate. I have been told that he referred to South Africa, and that the method adopted in South Africa did not only apply to liquor but to everything consumed by army people. Here, where there is only a duty on liquor to contend with. I see no reason for entering into such a cumbersome way of giving a rebate to the garrison. Let us give it and be done with it If the information passed on to me is correct it would be ridiculous to institute this cumbrous system.

His Excellency the Officer Commanding—I quite agree with what the last speaker said. Colonel Darling was under some misapprehension about the duties. In South Africa a duty was paid on all articles consumed, as was the case in the West Indies. In these two places a lump sum was given as rebate. The only Colony on exactly the same footing as this is Singapore, where there is duty on liquor only, and there a rebate is given in the form of allowing the troops to import their liquor free.

Hon. Mr. Hewett—Do they get full rebate?

H E. The Officer Commanding—Yes.

Hon. Mr. Stewart—May I remark that a very good reason—

His Excellency—The hon. member is not in order in speaking. We had better continue the debate on this clause in Committee.

Council then went into Committee to consider the Bill clause by clause.

On clause 2.

Hon. Mr. Hewett said a man might possibly import liquor for himself and his friends or for two or three big messes and might save his $100. Consequently he (the speaker) had been asked to put forward this view by some of the people engaged in the trade.

His Excellency—The question as to whether liquor is for sale or not for sale is a question of fact.

Hon Mr. Hewett—Supposing for the sake of argument I like to import for my own use or for the use of two or three of my friends, would I come under the penalty clause?

His Excellency—Not if you sold at cost price, but if you sold at any profit you would be selling liquor without a licence.

Hon. Mr. Osborne—The law is not for driving business into the hands of the wine merchant. If haf a dozen people like to combine and import it is not different to a man importing himself. I think the law does not want to operate to the detriment of traders.

His Excellency—The law does not interfere in either direction. It imposes certain duties on liquor and on those who sell liquor.

Hon. Mr. Hewett—I do not press the point. I merely thought it desirable in view of the representations made to me to place the matter before the Council. As the consensus of opinion is against it let it go.

The Colonial Secretary—People in England can import their own wine from France direct.

His Excellency—This clause was originally inserted to meet the question of commission agents, but as I have explained the learned Attorney-General proposes to meet that by an amendment of the Liquor Licencing Ordinance.

Hon. Mr. Hewett—That covers the objection

His Excellency—The Government has had a number of letters from people in the trade to which they have given careful consideration.

On clause 3,

Hon. Mr. Gresson appealed to the commonsense of the Council not to pass this clause as it was unneceesary and cumbersome machinery.

Hon. Mr. Stewart—I was about to suggest a reason which occurred to me. I think a rebate is a desirable thing for the reason that it is a great encouragement to saving. If a man gets a lump sum at the end of six months for difference in price of liquor for which he would have paid if he had had to pay duty he would think twice of spending that. That is an encouragement to thrift, I think, and one of the reasons which weighed with me in deciding me to throw in my vote to make this allowance.

Hon. Mr. Hewett—I take it that whatever the import allowance is it ought to be made according to the allowance of individuals. But it does not seem to me if you give a cash rebate that it should encourage outsiders to go and get cheap drinks in canteens. I think as far as this is concerned that we can certainly trust the naval and military officers to keep a close supervision over canteens to see that this privilege is not being abused. What the hon. member said is perfectly correct. Colonel Darling told me, but not in Council, that this import allowance was made use of to cover very excessive duties not only on liquor, but everything else imported into the country. I think it would be better to allow the naval and military people to get liquor out of bond less the remission you propose to allow them. As far as I can make out the only objection for not giving a cash rebate is the fear of a certain number of people getting drink in canteens.

His Excellency the Officer Commanding—Outsiders cannot buy drink in canteens.

Hon. Mr. Gresson.—I understand that in canteens practically nothing but beer is drunk. Even supposing a dozen casks or so are sold what will be the duty? Nothing. If people would only exercise common-sense they would see the Government is proposing to bring in a thing which would be run at a loss.

Hon. Mr. Hewett—It must add to the cost of the service.

His Excellency—Not in the least. That entirely devolves upon the military authorities. Once a year the General Officer Commanding and myself will make out on a scale a certain rebate for the coming year and that will be put before the Council in the way of a resolution. The object as I have already explained that I had in view is to prevent what I thought would be a constant source of friction, because those who pay licence fees would complain that the canteens would undersell them.

The vote was then taken on the general principle as to whether the rebate should be in the form of an import allowance or a reduction of duty. Nine members supported the principle of import allowance, three voted for reduction of duty, and one for duty free.

An amendment was then put to delete certain words from sub-section 4 and was lost by seven votes to six

On clause 5,

Hon. Dr. Ho Kai—We have just considered the question of an import allowance to the naval and military authorities and I think we should also allow the liquors imported for Government House to be free, especially as a great quantity is used for entertainment purposes and to keep up the hospitality of Government House. The wording is from the Singapore Ordinance and this clause is amended to fit.

His Excellency asked official members not to vote on this propasal.

Hon. Dr. Ho Kai said the amendment was unanimously agreed to by his unofficial colleagues.

Council then resumed.

The Attorney-General moved the suspension of the Standing Orders and the third reading of the Bill, remarking that the matter was one of urgency.

The COLONIAL SECRETARY seconded and the Bill was read a third time and passed.

HARBOUR REFUGE BILL.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to authorize the Construction and Maintenance of a Harbour of Refuge upon and over certain portions of the Sea Bed and Foreshore situated upon the Harbour frontage at Taikoktsui, Mongkoktsui, and Yaumati, Kowloon, in this Colony. In doing so he said—It is unnecessary to detain the Council by making any observations in introducing the second reading of this Bill because the title explains itself. I understand the Bill meets with the general approval of the community and it is decided to give the Government power to carry out the necessary works and to perform the necessary acts of reclamations.

The COLONIAL SECRETARY seconded, and the Bill was read a second time. Council then went into Committee to consider the Bill clause by clause. The Bill was left in Committee.

HIS EXCELLENCY—Council will now adjourn until next Thursday.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held, the COLONIAL SECRETARY presiding The following votes were passed:-

BOTANICAL AND FORESTRY DEPARTMENT.

The Governor recommended the Council to vote a sum of one hundred and sixty-five dollars ($165) in aid of the vote, Botanical and Forestry Department, other charges, typewriter.

AUDIT VOTE.

The Governor recommended the Council to vote a sum of two hundred and fifty dollars ($250 in aid of the vote, Audit Department, Personal Emoluments, Temporary European Clerk.

THE TREASURY.

The Governor recommended the Council to vote a sum of one hundred dollars ($100) in aid of the vote, Treasury, Treasurer's Office, Personal Emoluments, Northern District, New Territories, Allowance to one additional Police Sergeant as Supervisor of Revenue Collection.

POLICE AND PRISON DEPARTMENT.

The Governor recommended the Council to vote a sum of five thousand seven hundred dollars ($5,700) in aid of the vote, Police and Prison Departments, A.—Police, Other harges for the following items:—

Burial of Destitute Dead	$ 200
Light	1,500
Passages and t onuses in lieu of Passages	4,000
Total, ...	$5,700

The Governor recommended the Council to vote a sum of One thousand one hundred dollars ($1,100) in aid of the vote, Police and Prison Departments, C.—Prison, Other Charges, Subsistence of Prisoners.

THE ESTIMATES.

The Appropriation Bill came up for consideration in Committee.

Hon. Mr. HEWETT—On the Hongkong Estimates, sir, at page 92, pensions, there is an estimated amount of $810,476 to cover pensions to be granted. Have you any objection to my asking to whom these pensions are to be granted. Presumably it is a very careful estimate, for they are given down to odd cents.

The CHAIRMAN—I don't know the actual officers. Of course the calculations are made when a man is reaching a pensionable age and is likely to go on pension.

Hon. Mr. HEWETT—I don't press the question.

Hon. Mr. GRESSON—Under the head of police you will notice that in nearly every paragraph there is a temporary ration allowance which appears through 1909 and again in 1910. How does that come in under temporary?

The CHAIRMAN—It was originally granted while the price of food was at a certain price. I am sorry to say the price of food has not gone down and the allowance is still temporary.

Hon Mr. Stewart—Do you anticipate that it will?

The CHAIRMAN—It might. The millenium might occur.

Hon. Mr. STEWART—The only thing is that the word temporary is inapplicable. You should make it "extra allowance."

The CHAIRMAN—We will make a note of what you say and consider it next time.

SUPREME COURT.

Friday, 15th October.

IN SUMMARY JURISDICTION.

BEFORE HIS HONOUR MR. H. H. J. GOMPERTZ (PUISNE JUDGE).

A BOY AND HIS MASTER.

A house-boy sued his master, a German resident, for $30 for wages due.

On the case being called, his Lordship asked defendant if he owed the money, and he replied that he did not think so.

His Lordship—Do you owe him anything?

Defendant—I dismissed him because at different times he has stolen money from my master.

The plaintiff said he had been five months in the employ of defendant as boy at $15 per month, but on the morning of the 1st October defendant accused him of stealing thirty cents and dismissed him, driving him out of the house and giving him five minutes to clear out.

Defendant stated that his companion and he, having suspected plaintiff of stealing money, counted $1.70 one night and placed it in one of his pockets. Next morning before they went to the bath it was intact. Witness watched the room while his companion went to his bath. The boy entered the room and after he left they found that 35 cents were missing,

Defendant's messmate gave corroborative evidence.

Cross-examined—Is it not a fact that you are very careless and have dropped money in the lavatory and I picked it up?—Once he did that. He has taken money at other times.

His Lordship—Did you make a note of the money on this occasion?—Yes.

When?—Before I went into the bath.

You did not call the boy and ask for an explanation?—No.

Defendant, recalled, said he saw the boy enter his friend's room. He was watching for him.

His Lordship held there was good reason for plaintiff being dismissed, but gave judgment for plaintiff for $15, being wages for September.

Monday, 18th October.

IN CRIMINAL JURISDICTION.

ALLEGED MURDER.

Li Ng was indicted on a charge of murder. Prisoner pleaded not guilty, and the following jury was empanelled:—Messrs. G. C. Engel (foreman), J. O. Worster, F. J. Bellion, G. E. L. Hartig, W. J. Hill, P. D. Sutherland and J. Wilkie.

The Hon. Mr. W. Rees Davies, Attorney-General, instructed by Mr. H. L. Dennys, Jr., from the office of the Crown Solicitor, prosecuted, and Mr. C. G. Alabaster, instructed by Mr. Hinds, from the office of Messrs. Brutton and Hett, appeared for accused.

The Attorney-General stated that the prisoner was charged with murdering a woman named Li Wing Shi at Samchun in the New Territory on September 13th. Deceased, the wife of a brother of the prisoner's, and another woman, who was the wife of another brother, were alone at the time of the murder. It seemed that a fortnight previously the second woman had had a quarrel with the prisoner's wife about some fields. There was no evidence, however, to show that there had been any quarrel between the deceased woman and the prisoner, or between the deceased woman and the prisoner's wife. The prisoner was said to have entered the house occupied by the two women about eight o'clock at night and to have said, "You are both here now. To-night I will attempt something against you." Forthwith he stabbed the deceased woman in the right buttock from behind with a shoemaker's knife. He then stabbed the other woman, who ran to the house of another person. Subsequently she returned and found her brother-in-law and other people in the house attempting to stop the bleeding from the wound of deceased. All attempts on the part of the people present to stop the bleeding failed, and at Samchun there was no European doctor. At 9.30 p.m. the prisoner returned to the house, and shouted out that if they could not stop the bleeding he would do so. Whether that remark was made in a spirit of bravado or not the speaker did not know, but at all events, the attempts to stop the bleeding were unsuccessful, and the woman died about midnight. Early on September 14th the matter was reported to the police at Saikung, and the prisoner was arrested. On the 15th the prisoner was charged by the police in the usual manner, and made a statement in which he admitted stabbing both women, but alleged that he had some grievance against his elder brother's wife. The case was a simple one, and it was for the jury to say whether a case of murder with malice aforethought had been established. He would submit when the proper time came that the fact of this dispute supplied some kind of motive, and the fact of the prisoner going to another house to get a knife with which to inflict the stabs supplied all that was necessary to prove malice aforethought.

After the evidence for the Crown had closed, Mr. Alabaster said he did not intend to call evidence for the defence, and the prisoner, when asked, said he had nothing to say.

Mr. Alabaster, in addressing the jury, said that no motive had been proved. The place where the blow was struck, the buttock, was not a place where a blow would be struck if the prisoner intended to commit a murderous assault. He was sufficiently weak-minded, however, to attempt an act of chastisement in a particularly foolish and silly way. It had not only been proved in evidence that the accused was an habitual drunkard, but also that he had been at a banquet that night, that his breath smelt of drink, and that he had been drinking. The prosecution had to prove their charge up to the hilt, otherwise the jury would be entitled to bring in a charge of manslaughter.

The Attorney-General said the jury would have to be satisfied that when the accused stabbed the deceased he was not responsible for his acts, that he did not know what he was doing, and furthermore that he did not know he was committing a wrongful act, before they could bring in a verdict of manslaughter. They would also have to be satisfied that the prisoner was in such a state of intoxication that he was not responsible for his act. According to every principle of English law, drunkennesss on the face of it was no excuse for crime. Counsel for the defence said there was no motive, but there was, because there had been a dispute and a row beforehand. Society would never be safe if every time a dangerous weapon was used, drunkenness was set up as an excuse.

His Lordship, in summing up, said it was no defence to say that had a doctor been there the woman might have been saved. If the prisoner committed such an act, and such consequences ensued, they all flowed from his own doing. There were circumstances of gross and sudden provocation which took away the presumption of malice, and if proved, reduced the offence to the minor one of manslaughter. But the provocation must be very serious and very sudden. With regard to the question of drunkenness a man might, by continued inebriety, drink himself into a state of semi-madness. and in spite of the fact that he produced that madness by his own act, it would be a sufficient defence. His Lordship said he would leave to the jury the state of the mind of the prisoner, and he asked them to consider their verdict.

The panel retired, and after an absence of a few minutes returned into Court.

In reply to the Deputy Registrar the foreman of the jury announced that the jurors were unanimous in finding the prisoner guilty of manslaughter.

His Lordship passed sentence of seven years' imprisonment.

ROBBERY.

Ip Sang, Li Yan and To Chan Man were indicted on a charge of robbery.

Defendants pleaded guilty, but stated that they did not take the goods forcibly.

The Attorney-General informed the Court that all three prisoners were charged with robbery at Kowloontsai on the 8th of the month. All three were coolies of the lowest class. On the night of the 8th, at 11.30, the accused broke

into the house of a woman whose husband was away. The first prisoner seized her by the throat and told her to keep quiet, and threatened her with death if she resisted. Then her hands were tied, the house was ransacked, and the men were about to depart when a European constable entered, and caught them in the act. But for the exemplary conduct of this constable (P. C. Patterson) in going in as he did, single-handed, these men would probably have effected their escape.

In reply to his Lordship the prisoners admitted tying the woman's hands.

Each man was sentenced to four years' imprisonment with hard labour.

Tuesday, October 19th.

ALLEGED ARMED ROBBERY.

Yeung Wong Kwai was arraigned on a charge of robbery with violence at Tsung Un Ha in the New Territory on September 13th.

Prisoner pleaded not guilty, and the following jury was empanelled:—G. L. Duncan (foreman), S. G. Bolden, A. Charlton, C. Chaytor, F. Z. Britto, T. Braun and E. E. Rigold.

Hon. Mr. W. Rees Davies, K.C. (Attorney-General, instructed by Mr. H. L. Dennys, Jr., from the office of the Crown Solicitor, prosecuted, the prisoner being undefended.

The Attorney-General informed the Court and jury that this was another of the unfortunate robberies with violence which were so very prevalent in the Colony at the present time. The prisoner was charged with being one of the robbers who committed this gang robbery at Namshiwo on September 13th and stole, beside a quantity of clothing, three buffaloes and two bullocks. The prosecutor, who was a farmer, would state that at about eleven o'clock on the night of September 13th several men broke into his house. Three men entered the room in which he and wife were, and they identified the prisoner as being the second of the three. The accused was arrested in Hongkong, and at the Magistracy he made a statement in which he set up an *alibi* alleging that he was in the city at the time. The whole question was purely one of identity, and all the jury would have to decide was whether the prisoner was one of the robbers or not.

Prosecutor then gave evidence, after which he was questioned by his Lordship:

What brought you to Hongkong?—I came over to see the cattle in the depot.

Were you looking out for the robbers as you walked along, or was it by accident tha you come across the prisoner?—I was looking for him.

For this particular man, or for the robbers generally?—I was looking for this man in Hongkong. I did not know where the other men had gone to.

Had you any reason to think the prisoner would be in Hongkong?—A detective found out he came here.

So you and your wife were going along to see if you could find him?—Yes.

Witness was then questioned by the foreman of the jury:

Does your wife know the name of this man?—I have not asked her whether she knows his name or not. She is here and you can ask her;

Did the prisoner recognise you and your wife here?—He did not see us.

Prisoner said he had no questions to ask. The prosecutor was making a false accusation against him.

After hearing further evidence the jury returned a verdict of guilty, and his Lordship sentenced the prisoner to five years' imprisonment with hard labour.

Wednesday, October 20th.

FIFTEEN YEARS' IMPRISONMENT.

The hearing of the charge preferred against T. Shaminsky, of carnally knowing a girl eight years of age, concluded yesterday.

After an hour's retirement the jury returned a verdict of guilty, and his Lordship sentenced the accused to fifteen years' imprisonment with hard labour.

When the prisoner heard the verdict he collapsed, and had to be carried from the Court.

ALLEGED FORGERY.

Tam Pak alias Tam Shiu Nam was indicted on charges of forgery,

Prisoner pleaded not guilty, and the following jurors were called:—Messrs. C. E. Warren (foreman), C. Makeham, Tong Tze Sam, B. K. Mehta, J. Cruickshank, J. E. Danelsen and E. A. G. May.

The Hon. Mr. W. Rees Davies, K.C., Attorney-General, instructed by Mr. H. L Dennys, Jr., from the office of the Crown Solicitor, prosecuted, and prisoner was undefended.

The Attorney-General informed the Court and jury that the prisoner at the bar was indicted on charges of forging and uttering two bills of exchange, one on the Deutsche Asiatische Bank for $1,265, and one on the Hongkong and Shanghai Bank for $100. Both bills were payable to the Chun Shun Wo firm of Californian merchants, of Des Vœux Road Central. On September 18 the managing partner of this firm received a letter addressed to the assistant manager which contained two seconds of exchange. These were chopped with the firm's chop, and given to the assistant manager, who took them to the banks mentioned. Both banks refused to honour the bills, and subsequently the manager went to the banks and was shown the two first bills of exchange. On examination of these he would say that he found the firm's chop had been forged, and that the signature was in the handwriting of the prisoner, who was the son of the assistant manager. It appeared that the prisoner had formerly lived in the prosecutor's shop, and was well known to the manager, who identified the handwriting on the bills. Further-more, the assistant manager would say that the handwriting was that of his son. In both cases a forged chop had been used. A letter coolie would tell the jury that when he got to the shop the prisoner asked to see some letters he was carrying, and took one from the bundle, saying that it was for him, and sent from a relative in America. This letter was received just before tho prisoner presented the two bills for payment. The father would inform them that his son had no relative in America, and was in possession of no money except the pocket money with which he supplied him. Information was laid with the police, and the prisoner was arrested on September 3rd at No. 9, Wanchai Road, where he was apparently living with a woman. The police had much difficulty to get into the house, and the woman did all she could to screen the prisoner and prevent the police from arresting him. The accused was eventually caught on the roof. In the house large quantities of newly purchased articles and $700 in money were found. The woman was originally charged with receiving stolen money, but that charge had since been withdrawn.

After hearing the evidence, the jury returned a verdict of guilty, and His Lordship sentenced the prisoner to three years' imprisonment with hard labour.

The Attorney-General applied for the restitution of the goods and money seized in the house where the defendant was arrested.

At this stage the woman with whom the prisoner was said to have been living shouted out in the body of the Court, and was called forward. She told his Lordship that the money seized belonged to her, as well as the other articles, which she bought with money received from a money loan association.

His Lordship said it might be a novel procedure, but he thought the best thing would be to allow the money to remain in Court, and the firm could sue the woman. He then asked the the woman if she also claimed the jewellery.

She said she did, as she handed the prisoner the money to buy it.

His Lordship—I think the complainant firm had better bring a civil action in the Summary Court. That will be the best way to settle it.

The Attorney-General—Supposing your Lordship were to order that the property should remain in Court, with leave to either party to apply.

His Lordship decided on this course, and said he would take the application on Saturday.

Thursday, October 21st.

THE SHARK FIN CASE.

Ko Fun and Lai Lok were arraigned on charges of receiving 1,085 lbs. of shark fins between July 1st and August 7th.

Prisoners pleaded not guilty, and the following jury was empanelled:—Messrs. J. O. Vorster (foreman), V. G. J. Direng, G. E. L Hartig, D. P. J. Lopes, J. Wilkie, P. D Sutherland and F. J. Gellion.

Mr. C. G. Alabaster, instructed by Mr. H. L. Dennys, Jr., from the office of the Crown Solicitor, and assisted by Mr. W. E. L. Shenton (of Messrs. Deacon, Looker and Deacon), who prosecuted at the Magistracy, appeared on behalf of the Attorney-General. Mr. J. W. Orr, instructed by Mr. Davidson (of Messrs. Hastings and Hastings) represented the first prisoner, while the second was defended by Mr. Eldon Potter, who was instructed by Mr. P. Sydenham Dixon, of Mr. R. A. Harding's office.

Mr. Alabaster, in opening, said both prisoners were charged with receiving, well knowing the goods received had been stolen. It was necessary for Counsel to prove first of all that the goods were stolen; and that at the time when each prisoner received these things he knew they were stolen. It was also necessary for him to satisfy the jury that at some time or other the goods were in the possession of both prisoners. The way he proposed to prove that the defendants knew the goods were stolen was by the fact that each gave an account—

Mr. Potter—I object. My friend is now opening with what happened at the Police Court. He cannot put before the jury anything that happened there that he cannot actually prove. He must open his own case.

His Lordship—If your client did at the Police Court, under the provisions of the Magistrates' Ordinance and after being cautioned by the Magistrate, make a statement, that statement can be used as part of the case for the Crown.

Mr. Potter—It was not a statement, it was a deposition, and cannot be put in unless the man is dead, or too ill to attend Court.

His Lordship—Supposing he had simply made a statement which was not sworn to?

Mr. Potter—That would be a different matter altogether.

His Lordship—What is the difference?

Mr. Potter—In the one case you have a deposition; in the other you haven't.

His Lordship—The general principle is that a man's statement, made by him not under any inducement of fear or otherwise, is receivable in evidence against him.

Mr. Potter—That is another matter. The law says that depositions are not receivable in evidence except in case of death or sickness. It is obvious that otherwise a prisoner might be put into difficulties which would be almost insurmountable.

His Lordship—He is not bound to say anything unless he chooses.

Mr. Potter—A prisoner is now allowed to give evidence on his own behalf, just as an ordinary witness. Therefore he is a witness and a witness only. What my friend wants to do is to open to the jury with evidence given by a witness at the Police Court.

Mr. Alabaster referred his Lordship to page 327 of Archibold.

His Lordship—Was the prisoner defended at the Police Court?

Mr. Alabaster—Yes.

His Lordship—I have no doubt at present about the point, but if it arises later on I can reserve it.

Mr. Potter—Another point which must arise is how far the evidence of one prisoner can be used as evidence against another prisoner.

His Lordship—The view I take is this: If one prisoner goes into the box to give evidence, the other should have the right to cross-examine him. I am not sure that we had not better try the prisoners separately.

Mr. Alabaster—Anything a prisoner says can be used in evidence against him.

His Lordship—I am with you so far. It seems to me there is no doubt whatever that any statement made by a prisoner in the Police Court is not evidence against another prisoner, but is evidence against himself.

Mr. Alabaster stated that if he succeeded in satisfying the jury that in each of these statements there were things untrue, they could infer from that that the prisoners had reason for saying something untrue, and their reason was that they knew the property in question was stolen. An honest man who came into possession of stolen property had no reason to tell anything but the truth.

Counsel intended to prove that some time between July 1st and August 7th twenty cases of shark fins and shark liver disappeared from Talati's warehouses, and that on July 31st the second prisoner went with another man to a shark fin dealer. He introduced this man as a person who had come from Singapore with shark fins for sale.

His Lordship said he thought he had better discharge the case against the second prisoner.

Mr. Potter asked his Lordship to direct the jury to bring in a verdict of not guilty.

Mr. Alabaster said he offered no further evidence against the second man.

The jury, on his Lordship's direction, brought in a verdict of not guilty, and the prisoner was discharged.

Mr. Alabaster then continued with his case against the other prisoner. He stated that on August 7th an officer of police obtained a search warrant for a shop in Des Voeux Road. It was a business in which the prisoner admitted that he had an interest, and of which he was in charge. On these premises 1,085 lbs. of shark fins and 267 lbs. of liver were found. Under the bed a special kind of Indian shark fin, which was imported by only four merchants in the Colony, was found, and in the same room there were a number of pieces of packing cases, about which the jury would learn more when they heard the evidence.

The hearing was adjourned.

CANTON.

(FROM OUR OWN CORRESPONDENT.)

October 14.

FINANCIAL MATTERS.

It would appear that money is urgently wanted by the Peking Government, as several despaches have been received by the Viceroy on this subject lately. The latest states that the ordinary remittance from the province must be sent to the Capital without delay, and the Viceroy has given the Provincial Treasurer orders accordingly.

Another despatch states that the statements of income and expenditure for the past two years are to be made out in detail and submitted to Peking immediately.

CHEAP RICE.

As an act of devotion to the memory of Confucius certain shops have been selling rice at the rate of 6 catties more per dollar than the usual price. Only one dollar's worth at a time is allowed to be purchased, but many persons have taken advantage of this offer as the price of rice has ruled very high lately.

PETITION FROM A LADY STUDENT.

A lady named Miss Kong Lau, who has received her education in America, has now petitioned the Government to defray her educational expenses, as was done in the case of Miss Ho Sheung Ying, She also prays to be recognised as a government student. The Viceroy says that he is unable to make any definite promise in the matter until he has asked the opinion of the Chinese Minister in America, and he has therefore communicated with that officer on the subject.

BRIGANDAGE IN KWONGSAI.

A petition numerously signed has reached the authorities from Mo Soon in the Kwongsai Province. The petition states that such is the activity of bandits in the district and so inadequate are the forces to cope with them that neither life nor property is safe and the people are in a state of great alarm The petition prays for military help to clear the district, and the Viceroy has given instructions to the Provincial Judge and certain other officials to make enquiry into the real state of affairs. Meanwhile a detachment of troops is to be sent to the district.

October 16th.

SEIZURE OF DYNAMITE.

It is reported in the native Press that on the arrival of the s.s. *Kwong Tung* on Wednesday a man was seen endeavouring to leave the ship in a sampan with several suspicious looking parcels. He was arrested, and examination of the parcels led to the discovery that they were full of dynamite. The man gave a very garbled story when arrested, saying that the parcels had been placed in the sampan by two men whom he did not know and who subsequently made off. The explosive was taken in charge by the police and the man was led off to Nam Hoi to be interrogated by the Magistrate. There have been several of these dynamite episodes lately, and whether the importation is the work of revolutionaries, bandits or ignorant fanatics who wish to destroy the railway lines remains to be seen.

CONSTITUTIONAL GOVERNMENT.

The first meeting of the Deliberative Council for the preparation of Constitutional Government was held on the 14th inst. in the old Yamen of the Provincial Governor. The Viceroy presided, and the Provincial Treasurer, Educational Commissioner and many officers of high rank were present. Seats were also prepared for the representatives of the native Press. The proceedings, which lasted about two hours, were of quite a formal nature, the chief business being the work of electing officers. Mr. Yik Hok Ching was chosen President, and the Vice-President is to be voted for on Sunday, when the next meeting takes place.

MILITARY MATTERS.

The chief officers of the Provincial Army are to be interviewed by the Viceroy on Monday and Tuesday. They will be questioned as to what improvements have been made in military organisation, the erection of arsenals and such like matters of importance. It is probable that in the near future the Viceroy will himself hold a grand review of the troops in the district.

MACAO BOUNDARY.

The Commissioner in charge of the Macao Boundary question arrived in the City yesterday afternoon by the s.s. *Honam* and proceeded to the Viceroy's Yamen, where the two officials held a consultation regarding the present negotiations.

BONFIRE OF OPIUM PIPES.

The Nam Hoi Magistrate has for a long time collected all the confiscated opium pipes which have been seized in various raids. Yesterday these were all broken up and burnt in a huge bonfire outside the Yamen gates. Great crowds came to see the fire and the smell of burning opium pervaded the air. Later on in the day a zealous petty officer found a private opium den in the district and a body of police were sent to take possession. This they did and six smokers were arrested. According to the new regulations the building will probably be confiscated.

A NEW SCHOOL.

A gentleman in Fatshan has lately been subjecting the native school fathers to some sharp criticism. He states that many of them are without the necessary learning and aptitude to fit them for their important duties. This gentleman is also grieved that the children of the water population get little or no schooling hence their gross ignorance and want of manners. He has come forward with a plan to start a primary school for these children in Fatshan, and he suggests that the expenses be paid by levying a small tax on cargo boats that come to the town. The proposal has been submitted to the Provincial Educational Commissioner, and, in the interests of these poor children, it is to be hoped that he will countenance the scheme.

RED CROSS SOCIETY.

This useful society does a great deal of very good work in the city, but like all such societies it does not escape criticism. Yesterday, a man fell from an upper window and was seriously injured and the Red Cross doctor was sent for, but it was found that no medical man was on duty. This excited a good deal of adverse comment, and no doubt the Society will see to it in future that there is always someone in waiting. The public has not much to complain of, for in one day the Society treated no less than six men who were injured in as many assaults.

October 20th, 1909.

THEATRE AIDS SCHOOL.

The Kai Ming School in the City is an institution which in its time has done a great deal of good in the educational world. Unfortunately funds are lacking to keep the good work going and the school was advertised to be closed down. Hearing this the "Yau T'in Ying" theatrical troupe offered to give performances in aid of the school funds in the Ngok Sin theatre. It is expected by this means that the school will obtain a new lease of life.

MOUNTED POLICE.

Outside the East Gate there is a great deal of building going on and the traffic into the city from the villages in this locality is very great. As is usually the case in districts outside the city, many robberies have from time to time occurred, and it has lately been suggested to the Taotai of Constabulary that mounted police be used to patrol this district. The Taotai has fallen in with this suggestion and the patrols will be started in the near future.

While speaking of police it is necessary to state that many of the villages lying outside the City are without any police system at all, hence the prevalence of robberies with violence in these places. The headmen of the villages, it is rumoured, often work in concert with the miscreants who disturb the public peace and share profits with them. In some districts, at all events, this state of affairs is soon to be altered. Such is the state of lawlessness in some localities that even the supine Chinese officials have at last been moved to action. The Taotai of Constabulary has given orders that the Siu Chow Prefecture and the Fa District are to be adequately policed and other places will be supplied with constables before long.

It unfortunately happens, however, that the police, instead of preserving the law, frequently break it, as lately happened in the following case. A constable who had been found guilty of several misdemeanours was placed in Nam Hoi Gaol. Soon after his imprisonment a man petitioned the Viceroy for justice against this man for enticing away the petitioner's wife. The Viceroy has ordered the Chief of Police to make an investigation.

CONSTITUTIONAL GOVERNMENT.

The second meeting of the Deliberative Council for the Preparation of Constitutional Government was held on Sunday. There were not so many officials present on this occasion, as the Viceroy and Provincial Judge were engaged in the trial of a political offender called Tsai Ki Ming. Many private gentlemen were, however, present, and Mr. Lo Nai Tung was elected Vice-President.

MACAO BOUNDARY.

As formerly reported, a meeting of the Boundary Rights Society was held on Sunday. At the meeting it was unanimously held that the Commissioner had yielded too much to the Portuguese and that China had suffered a serious rebuff. A telegram was dispatched to Peking urging that no treaty be signed with Portugal. The Viceroy was also urged to take serious steps in the matter. Telegrams were also sent to Cantonese residents in Peking and various provinces as well as in foreign countries notifying them as to the state of affairs.

October 22nd.

CONSTITUTIONAL GOVERNMENT.

The Deliberative Council for the preparation of Self-Government has now been declared to be fully constituted and will be recorded in the annals of the Province as having started during the 9th moon of the first year of Hsun Tung. It is estimated that the Council will require 50,000 taels yearly for its expenses, and the Viceroy has been asked to find a source from which this sum may be raised.

ROBBERS BEHEADED.

The Mo Ming District has lately been infested with banditti. It is said that strangers from other districts and provinces have been to this locality and induced the peasantry to join them in their nefarious work. To clear out these undesirable people the magistrate of the district and Brigadier-General Wong have established a military camp. As a result, nine notorious bandits and several other bad characters have been captured and decapitated. The news has been wired to the Viceroy.

THE HONAM POLICE OUTRAGE.

The outrage by the Honam police reported a day or two ago still continues to cause much discussion and excitement. Yesterday a mass meeting was held in order to express indignation and to find out some method of obtaining redress. Petitions signed by many persons have been forwarded to the Honam Chief of Police and to the Taotai of Constabulary. Further action will depend upon what action the authorities take in the matter, and the residents of this district are determined not to let the matter drop until reparation has been made.

AN INCAPABLE OFFICER.

The Magistrate of Ting Tak District is noted for his inability to perform the duties of his office. He is said to be very idle and to care nothing for the welfare of the district. A little while ago the residence of a wealthy man named Wun was looted and no less than seven persons fatally shot. The Magistrate did not take the trouble to investigate this serious case, and great indignation was accordingly felt. The Viceroy ordered three black marks to be placed on the Magistrate's record, and this, it is stated, will be sufficient to have him removed at an early date. It is the presence of such worthless men in positions of authority that is the cause of the lawlessness and wholesale pillage that goes on in some public places, and there is not much hope for China as long as such persons are allowed to hold office.

SUPPRESSION OF GAMBLING.

Serious steps are to be taken to suppress this vice. It is said that in the City alone there are 259 gaming houses, so it is evident that strong measures ought to be taken to abolish this public disgrace. The amount of gambling that goes on in the homes, too, is alarming, the women often being great offenders in this respect. For these, however, there is some modicum of excuse, as it often happens that the husbands spend their leisure time away from their families in more or less questionable amusements, and the women are left to their own devices, usually some form of gambling. There is no small anxiety among the proprietors of the gaming houses as to what their fate is to be, and many persons say that the Government will do a bad stroke of business by closing these places, as the revenue is already deficient. Knowing this, an army officer has lately memorialized the Throne, praying that the minerals in which the country so abounds be worked in order that the deficit be made up by royalties on the mines. This is sound advice, and all who have any regard for the welfare of China will hope that it will be followed.

AN EXPLOSION.

Some weeks ago there was a serious explosion in the Wing Chai Arsenal. An investigation was made, the results of which have just been published. The explosion is said to be due to the careless handling of some dynamite that was seized at Wong Sha Station. To obviate further disasters of this nature, all explosives discovered by the police are to be removed to the Torpedo Bureau at Whampoa, where it is to be presumed are person capable of handling such deadly materials.

NATIVE INDUSTRIES.

People in the City are waxing partriotic over native-made goods, and although these cannot for a moment compare either in excellence of material or style with similar articles from the West, yet the natives prefer to buy the home-made goods. This is especially the case with matches, and the Chinese article is in great demand just now, as Japanese goods do not command a ready sale owing to the bitter feeling that exists between the two nations. News comes from the Straits that certain merchants there have entered into contracts with several match manufacturers of this district to supply very large quantities, and it is expected that the match trade will boom in consequence.

"WHEN THIEVES FALL OUT."

Two scoundrels named Li and Lai have for many years been in partnership, and their business was the kidnapping of village boys and girls from the Kwongsai Province. The former confined his attention to selling the girls, and he was aided in this by a Yamen runner. Lai was accustomed to dispose of the boys to an old woman who had ways and means of selling them at a profit. A few days ago these two men fell out over some trifle and Li accused Lai to the authorities of kidnapping. Lai was arrested, and he in turn gave evidence as to Li's share in the business. An investigation was made and the whole of the nefarious proceedings brought to light. They are now awaiting the tender mercies of the authorities.

REVENUE.

As already reported, steps have been taken to reduce the expenditure of the various Government departments, and officers were ordered to send an account of income and expenditure. The Viceroy has found that some of these statements are false and he has issued a notice that the accounts are to be sent in again, and anyone who makes a false statement will be severely punished.

COMPANY MEETINGS.

THE DAIRY FARM CO., LTD.

The thirteenth ordinary yearly meeting of shareholders in the Dairy Farm Co., Ltd., was held at the Company's Depot, No. 2, Lower Albert Road, on the 20th instant. Hon. Mr. E. Osborne presided, and there were also present: Messrs, E. H. Hinds and F. Maitland (directors), J. Walker (Manager), M. Manuk (Acting Secretary), J. M. E. Machado, H. L. Fletcher, J. McCubbin and Chan Tong.

The SECRETARY read the notice calling the meeting.

The CHAIRMAN said:—Gentlemen, with your permission I will adopt the usual custom and take the report and accounts as read. It is gratifying, in these days of commercial depression, to be able to lay before you a by no means unsatisfactory statement, and to report that we have been fortunate during the past twelve months in the general health of our herd. We found it necessary, however, to purchase a few head of cattle to replace those lost by death, etc. The accounts, you will observe, show that the value of buildings and property have increased by some $42,000, which is partly accounted for by our having acquired the land on which this building stands, also some farm acreage at Pokfulum which we thought advisable to buy. We have opened a branch at Quarry Bay and judging by initial results this has evidently supplied a needed want. Your Directors have considered it advisable to continue the policy of writing down the cost of stocks and property and have now, subject to your approval, written off $17,072.33. Our expenses, as might be expected with a growing business, are increasing, and there is unfortunately a continual advance in cost of foodstuffs, added to which the improvements that are continually being carried out on the farms, call for a further outlay. This matter, however, receives careful attention from your Board, who, with the help of your able manager and his staff, will continue to keep expenditure within reasonable bounds. Before proposing the adoption of the report and accounts I shall be pleased to answer any questions you desire to put.

No questions were asked, and the CHAIRMAN proposed the adoption of the report and accounts as presented.

Mr. FLETCHER seconded, and the motion was carried unanimously.

On the motion of Mr. MCCUBBIN, seconded by Mr. MACHADO, Messrs. F. Maitland and E. H. Hinds were re-elected to the directorate.

Mr. W. Hutton Potts was reappointed auditor, on the motion of Mr. CHAN TONG, seconded by Mr. MCCUBBIN.

The CHAIRMAN—Thank you, gentlemen, for coming on such a very unpropitious day. Dividend warrants will be ready to-morrow.

CANTON INSURANCE COMPANY.

The twenty-eighth annual meeting of shareholders in the above company was held on Oct. 92 at the offices of the General Managers, Messrs. Jardine, Matheson & Co. The Hon. W. J. Gresson presided; and there were also present: Sir Paul Chater, Messrs. D. W. Craddock, F. Maitland, E. Shellim (consulting committee), L. N. Leefe (secretary), Lo Sheung Shui, K. D. Gazdar, F. J. Ribeiro, Wong Leung Him, and Ho U Sang.

The SECRETARY having read the notice convening the meeting,

The CHAIRMAN said—Gentlemen,—The Reports and Accounts have been in your hands for some days, and I will therefore, with your permission, take them as read. Since our last meeting Mr. G. C. Moxon has resigned his seat on the Board, and your Consulting Committee filled the vacancy thus caused by electing Mr. D. W. Craddock, of the Canadian Pacific Railway Co., an appointment which, in a few minutes, you will have an opportunity of giving your assent to. The year's operations that come under our review have been attended, I regret to say, with the same adverse conditions, chiefly in London, as those which we experienced in the previous year. The reduction in premiums received is directly attributable to restrictions we placed upon London underwriting, and the casting off of sources of business found to be unremunerative at the rates to which reckless undercutting had brought them. The losses have been heavy but they have fallen more upon the earlier part of the year than was the case in 1907, and, therefore, subject to the warning I have uttered before on a previous occasion as to what may occur between now and 31st December, there should be ample provision at the credit of Underwriting Suspense Account, after the proposed transfer of $194,300.59, to close the year. I much regret that the results of the year render it advisable that the dividend be reduced to 20 per cent., or $10 per share, but though perhaps it is a poor consolation, it is at all events pertinent to notice that many of our competitors have found it equally difficult to transact business at a profit. I do not think that there are any special features in the Accounts which call for particular mention, but if any shareholder desires further information with respect to them I shall be pleased to answer such questions as he may wish to ask before putting the motion that the Report and Accounts as presented be adopted and passed.

There being no questions, the report was adopted, on the motion of the CHAIRMAN, seconded by Mr. GAZDAR.

Mr. LO SHEUNG SHIU proposed that Sir Paul Chater, Messrs. Maitland, Shellim, White and Craddock be re-elected to the consulting committee.

This was seconded by Mr. WONG LEUNG HIM and carried.

Messrs. W. Hutton Potts and H. Percy Smith were re-elected auditors, on the motion of Mr. HO U SANG, seconded by Mr. RIBIERO.

The CHAIRMAN—That is all the business, gentlemen. Dividend warrants will be ready to-morrow. Thank you for your attendance.

STEAMER ASHORE ON THE PARACELS.

On Oct. 20 Mr. Eitzen, the Norwegian Consul at Hongkong, received a telegram from the captain of the Norwegian steamer *Ragnar* informing him that the vessel was ashore on the Paracels and that the officers and crew were starving. The telegram, which was despatched from Tamky in Tonkin stated that Captain Augensen and his wife, accompanied by one officer and two of the crew, had made their way in a small boat from Pattle Island to the Bay of Anhoa. They had experienced great privations, and, as the telegram indicated, the officer and crew left on the steamer were also in dire straits. A request was made for immediate assistance.

The captain also mentioned in his cable that one of the officers had died from typhoid.

The *Ragnar*, which is owned by Messrs. Wiel and Amundsen, of Friedrikshald, Norway, has a tonnage of 2,070 tons. She is manned by three officers and a crew of about 25.

On the circumstances being reported to Commodore Lyon succeeded in getting into wireless communication with the *Flora* and directed the cruiser to proceed to the assistance of the unfortunate people. The *Flora* found that the *Ragnar* had been driven high on to the beach, that the European officers had left the steamer, and that only Chinese remained on board. These, however, were not without food. The *Flora* brought 23 of the crew to Hongkong, and these were taken charge of by Mr. Eitzen, the Norwegian Consul.

OXFORD LOCALS AND FEMALE EDUCATION

To Miss Wan Shuk Ching, of St. Stephen's Girls' College, belongs the honour of being the first Chinese girl student to pass the Oxford Senior Examination, and, not satisfied with that, Miss Wan has succeeded further in passing with distinction. The Examination was held in Hongkong in July last, the answers forwarded to Oxford, and the results have just been cabled.

NOTES FROM JAPAN.

[FROM OUR OWN CORRESPONDENT.]

TOKYO, October 5th.

THE COMMERCIAL SITUATION.

The past month has witnessed very steady progress in the commercial situation. In my last letter I reported the advance of the principal stocks during the month of August. The appreciation was continued throughout September, but the market has not been so steady and there are indications that the limit has been reached. In the case of all the gilt-edged stocks there has been much fluctuation during the past ten days, and the present month is hardly likely to be so prosperous from the operator's point of view, as the last month's developments in China combined the continued sluggish state of trade, and with certain domestic events all contribute to check the boom which brokers anticipated at the end of July.

THE BANK OF KOREA.

The subscription to the Bank of Korea shares was much greater than anticipated, and the consequence is that only those who subscribed for enormous amounts got a reasonable share. As an example of the rate of over-subscription, one merchant who desired to invest ten thousand yen, and who subscribed 80,000 yen, has been allotted the comfortable amount of two shares!

It is impossible to say exactly how many times the issue was over-subscribed, but it is safe to say that the small investor has very little interest in the Bank of Korea, although it was the Government's desire that the people should participate. The great corporations and other financial magnates have absorbed the bulk of the stock of the Bank of Korea, and so it will go on to the end of the chapter. At present these shares, which are only five yen paid-up, are quoted at thirty yen.

GOVERNMENT RAILWAY POLICY.

The papers are again paying attention to the project first mooted in 1907 for connecting Tokyo and Osaka with an electric railway, the promoters of which enterprise undertake to run an express service between the two cities in six hours. This line, would prove a formidable competitor with the Tokaido Railway in passenger traffic, for the latter, a narrow gaue line, cannot do the journey under about eleven hours. It is difficult to understand the policy of the Government in the matter of railways. On the one hand the Government grants the charters right and left to electric railway companies, whose lines run in competition with the steam railways, and on the other hand the lines are restricted in various ways in the matter of speed and other powers, and ultimately become the property of the State. The capital for the new electric railway is estimated at a hundred million yen. The line would of course traverse a good deal of country miles away from the Tokaido Railway, but in many places it would run practically parallel. While it would open up some districts and encourage the growth of small industries, this advantage would not by any means compensate for the loss the country now suffers by the limited capacity of the railway communication between Tokyo and Osaka. It is between such points as these that the trade of the country circulates, and better for that a large sum should be spent on increasing the number of tracks and elevating the permanent way of the Tokaido line, for this would enable the growing freight traffic to move more freely and would obviate the almost constant interruption now experienced during periods of bad weather. How easily the Tokaido Railway is closed to traffic was illustrated a few days ago. In consequence of one night's heavy rain, on Monday morning last week, the line between Ofuna and Yokohama was completely under water. Along the whole three hundred miles of track between Tokyo and Osaka washouts and landslides were frequent, and for several days afterwards traffic was confined to sections and there was very little through traffic. All this occurred because in some places the railway is raised but a very little above the level of the surrounding country and in the mountain districts danger is always to be apprehended from landslides. Seeing that such interruptions to traffic occur regularly every year, it is difficult to understand why a determined effort is not made to protect the railway from the elements. There has been some talk of the broadening of this line to standard gauge, which would involve an enormous expenditure, estimated at 300 million yen. The Railway Board cannot see its way to such an outlay at the present time, but without altering the gauge, a great deal could be done to increase the capacity of the line, and even if this improvement were only temporary it would do more to benefit the trade of the country than the establishment of the projected electric railway, which will never be anything more than a local service of rapid transit.

DEATH THE REAPER AND MENINGITIS.

In the space of one week death has removed several of the members of the foreign communities of Tokyo and Yokohama, all of whom are reported to have died from the same disease, namely, meningitis. This complaint appears to have been almost epidemic in Yokohama, for several foreigners have been down with it, according to the papers. But a foreign doctor who was consulted by a young man "out of sorts" gave it as his opinion that the belief that meningitis was epidemic was a fallacy. Nor did he believe that the deaths which had occurred had been caused by meningitis in every case. The season has been particularly trying, and the recent change in the weather has found out the weak spots in ordinarily healthy constitutions. This combined with indiscretions such as drinking unboiled water, going without head covering in the sun, over-exertion at sport (I am still quoting the docter), has brought young fellows to bed. In all epidemics and so-called epidemics nervousness is a great factor, and people have been known to die during cholera epidemics who have not had the disease at all, but have lived in a nervous dread of it. Undoubtedly there has been a lot of nervousness in Yokohama in the past month over this alleged meningitis, and not a little illness in consequence from nervousness.

THE DOG AND THE CIGAR.

A good story has been going the rounds. The other day a very well dressed and dignified Japanese took a seat in a first-class carriage at Yokohama in one of the new non-smokers, and pulled out a cigar. The only other occupant was a foreigner, who tells the tale. Before the train started for Shimbashi, however, there entered a bustling, pompous, autocratic American lady. The dowager was followed by an amah and between them they had about twelve parcels large and small. When the train started the lady was still investigating whether those parcels were all right, during which operation the Japanese smoker only got the back view of the lady of generous expanse. At length she sat down opposite, and seeing the unconcerned Japanese drawing dreamily at his weed announced in tragic tones that this was not a smoking car. The offender, who did not understand English, went on smoking. Suddenly the lady pointed at the cigar with outstretched arm, and again spoke in the commanding tones she was doubtless accustomed to use when addressing her husband. No notice was taken. A moment later the cigar of the puzzled and half-terrified Japanese was flying through the window. The passenger, who was considerably offended but did not know exactly how to act in the circumstances, thinking probably this was the way men were treated in the West, sat nursing his wrath. His eyes became fixed upon the ample proportions of the lady's bosom, and gradually it dawned upon him that there was something else under her shawl besides what ought to be there, for the protuberance was much larger on one side than on the other. In fact it was a tiny Chin dog which the lady had smuggled through the wicket and on board the train in defiance of the regulations. In Japan to defy the regulations is a serious thing, and a scheme of revenge developed in the passenger's wily brain Watching his opportunity the Japanese gentleman suddenly made a dart forward, seized the poor Chin and threw it out of the window after the cigar, to the consternation of all. Half a minute later the train drew up in Kanagawa station. The outraged lady, terrible in her wrath, rushed to the window to lodge a complaint, when she saw her little pet running along the platform, wagging his tail joyously with something in his mouth. Now what do you think it was? The moral of this story is not to jump at conclusions. It has been done to death in the clubs, and several Japanese, ready with a too eager answer, have been victimised to the extent of drinks round.

THE MANILA OPIUM CASE.

EVIDENCE AS TO TRANSACTIONS IN HONGKONG.

We take the following report from the Manila *Cablenews-American* of the 10th inst.:—

The Grant-Kennedy opium trial consumed the entire day in court yesterday and closed with the attempt of the prosecution to show that the correspondence that formed the basis of the testimony given both in the morning and the afternoon and on which the defence depends to show that Kennedy was not the importer of the drugs, had not passed between the parties as claimed.

After a prolonged examination and cross-examination of Detective Cooley, who heard the conversation between the two defendants, Kennedy was placed upon the stand by the defence.

Kennedy testified that he had known Grant for about ten months and had met him in Hongkong last November. He saw him again later and had an interview with him in his office on June 22. "He came to my office," said Kennedy, "and told me that he had just come from Hongkong. He asked me to buy from him four iron tubes that had been made in Hongkong, offering to sell them for 3,000 Hongkong dollars. He told me they were at Mr. Barker's warehouse there. He further told me that the tubes had been especially made for the purpose of opium smuggling. He offered to bring them to Manila and to charge me 2,500 dollars for so doing. The tubes were to contain opium.

"I then wrote to my business agent in Hongkong about the matter. I also gave a letter of introduction from Grant to Mr. Barker for my agent, Hoy Man."

Prior to this certain correspondence has been offered in evidence and received subject to the objection of the prosecution. These letters formed the basis of the argument for the defence, it being the purpose of Kennedy's attorneys to show that Grant had engineered the deal and that Kennedy was not responsible for the importation of the drug. The first letter introduced related to the opening of the transaction and the letter of introduction, and was as follows:

"Manila, P. I., June 22nd, 1909.

"My dear Mr. Hoyman:—

"I beg respectfully to inform you that an American by the name of Mr. Grant, who is at present engaged in mining business at Manila, called at my office yesterday morning and he had a conversation with me about opium business. According to what he said he had four tubes made for the use of smuggling which can contain 200 lbs. of opium and that the above tubes are now kept in the house of his agent, Mr. Barker, at Hongkong.

"He also informed me that he wants 3,000 dollars Mex. for the above mentioned tubes, and also 2,500 Mex to bring them in, thus making a total of 5,500 dollars Mex., which includes all general charges between Hongkong and Manila. He also said that he can guarantee that the 5,500 dollars are to be paid under the condition after the goods are safely delivered by him here.

"I send herewith a letter of introduction from Mr. Grant. Please bring it and go to see Mr. Barker. You may do what you deem proper."

Hoy Man is supposed to have taken the letter of introduction to Barker and tells of his reception as follows in his alleged reply:

"Hongkong, June 29, 1909.

"My dear Mr. Yuen Kai:

"I was in receipt of your favour under date of the 22nd together with a letter of introduction from Mr. Grant, on the morning of the 26th instant. I have learned all its contents.

"I had interviewed Mr. Barker with the letter. I talked with Mr. Barker about the tubes. I asked him to let me see them, but Mr. Barker demanded that I must give him 500 dollars Mex. before he could allow me to see the tubes.

"I was greatly surprised by such occurrence. I failed to look at the tubes, because I would rather not succeed than be ignored by him.

Please notify Mr. Grant and see what I shall do.—I am, very sincerely yours,

"W. HOYMAN."

The rest of the transaction is explained in Kennedy's next letter and his agent's reply thereto as follows:

"Manila, P. I., July 6, 1909.

"My dear Mr. Hoyman:

"On July 3rd I received your letter dated June 29th. The next day I went to see Fe. During the interview I spoke to Fe about the matter in detail in regard to Bar's demand from you for 500 dollars Mex. before he could let you see the tubes. He said that it was very unreasonable if he had made such a demand. He also said that it might be Bar's opinion that if you would not take it after it had been shown to you, you might spy everything out and it would be known by others.

"Fe himself has this day written to Bar and explained everything to him in detail. He has adopted some new conditions with me. I send you herewith a copy of it, and I wish you will follow the conditions accordingly.

"Fe informed me that the goods in tubes must be ready so that it can meet the steamer which is scheduled to sail on July 20th, 1909, and must not put anything on delay. Per instructions of Fe you can go to see Barker and collect from him 6,500 dollars Mex. The receipts must be written thus:

"Received of Bar 4,500 dollars Mex., being payment for Fe's share and charge on Fe's account.

"Fe also informed me that the 2,000 dollars Mex. for his share can be collected from Bar, as he has money deposited with him. You procure cloth for him, turn to him and let him pack and send. In case the amount is insufficient, you can collect sufficient amount from Bar. We have formed a capital amounting to 10,000, Mex. in equivalent to 8,800 pesos Conant, with a view of buying this lot of cloth.

"Mr. On has a share of 2,000 dollars Mex. Fee takes 2,000 dollars Mex., but the 2,000 dollars taken by Fe shall be included in the Hongkong shares of 8,000. The rate of exchange is 88. The rest of it amounting to 6,000 dollars Mex. can be sold to the Hongkong people.

"From this date in either of our letters or cables we should use the word cloth instead of opium. Fe means Mr. Grant, Bar means Mr. Barker. We should use these signs in our letters or cables."

And the reply:

"Hongkong, July 10, 1909.

"My dear Mr. Yuen Kai:

"Your favour of the 6th instant, together with a copy of the conditions, have been duly received. I will arrange everything with Mr. Barker at an early possible date. I will get money from Mr. Barker to buy goods and then turn over the same. In reference to the capital amount to be raised for the purchase of the goods at Manila, my friends at Hongkong have already put up 8,000 dollars Mex. which includes Fe's share of 2,000 dollars Mex., and the rest, 2,000 dollars Mex., to be distributed by Manila. Mr. Barker desires to deduct 3,000 dollars Mex. from the purchase account to pay for the tubes as mentioned in the 3rd paragraph of the copy of conditions furnished by Mr. Grant and mailed to you on the——inst, the price for tubes is to be accounted for Fee and Bar. both of them. But I do not understand the reason why Mr. Barker demanded me to pay for the tubes. It is true the letter from Mr. Grant to Mr. Barker has not yet been received? Please arrange with Mr. Grant to communicate by cablegram and oblige.—Yours very sincerely,

"W. HOYMAN."

While the prosecution assailed the authenticity of the letters it maintained that if they were true they clearly demonstrated that Kennedy was guilty of conspiracy to import the drug even it he did not actually participate in the importation.

Continuing his testimony Kennedy stated that he had conversations with Grant as to the contents of the letters received and sent. Asked as to the agreement entered into and mentioned in the third letter, Kennedy said it was as follows:

"That a special fund of 10,000 Mexican or P8,800 was to be raised between Hongkong and Manila for the purpose of buying Fe's cloth. That the total weight of the goods was to be 200 pounds and if more or less a corresponding deduction or increase should be made at the rate of 44 dollars Mexican per pound.

"That the four tubes including the amount of the goods were to be accounted for by Fe and Bar themselves. That the goods must be of superior quality, and Fe and Bar were to hold themselves responsible in case of any accident or risk occurring and that the intermediary should not be implicated

"That Fe should not be responsible for any accident or risk occurring after the goods had been actually delivered to the purchaser. That all the expenses for transportation and freight, etc., should be paid by Bar and Fe.

"As agreed upon between the parties to the deal, a sufficient amount of money should be furnished by the intermediary for the purchase of the cloth." This agreement was dated July 6, 1909.

Kennedy further testified that Barker was to pack the goods and hand them over to Grant, who was to pay all charges and transportation. The empty tubes were to be reshipped to Hongkong for use again when opportunity occurred. In the case of re-use the cost of the shipment would be P 1,000 less that before.

Kennedy testified that he met Grant at his rooms at the Nevada Hotel and that Grant asked him to loan him P 2,000 to fight his case. "I tried to leave," said Kennedy, "but he stopped me and persisted in his request. I refused to make the loan. Two or three days later I again saw Grant and he asked me to leave the city saying that the case was a serious one and if I left Manila he would be secure, otherwise he would be convicted. A few days later he sent one Le Breton, who was staying at the Bay View Hotel, to see me and ask me to leave for the same reason. He wanted me to leave on the *Mongolia*, which sailed the day before I was arrested. He said if I left he would turn States' evidence and could thus escape punishment.

He stated that had the opium arrived safely in Manila Grant would have made a profit of P700 on his investment of P2,000 according to a verbal contract. His own profit would have been 10 per cent. on the P8,800.

He stated that he communicated all messages and cables received to Grant. That he had four or five interviews with him about the cables. As to the cost of the 200 pounds of opium in Hongkong he said it was about P4,000.

On cross-examination Kennedy acknowledged that he knew Grant was to bring opium to Manila and wrote to his agent to tell him to do what he deemed proper in the case. Grant was to deliver 200 pounds of the drug to him.

Speaking of the interview at which Cooley, unknown to him, was present, Kennedy denied many of the detective's statements as to the conversation held. He said that Grant wanted his P 2,000 back as the shippment had been seized.

The prosecution pressed Kennedy hard about an account that had been paid by him to a certain McIntyre, and after much effort elicited the statement that he paid him between 5,000 and 6,000 pesos. Asked what for, the defence objected that the answer might incriminate the witness in another deal that was not charged in this complaint, and asked that the witness be warned that he was not bound to answer questions incriminating himself. After a hot debate in which all the attorneys and the judge took a part, the question was again put and the defendant replied that he paid P5,900 to a Chinaman with which to buy contraband goods.

The prosecution starting from this point went deeply into the question of the conspiracy to carry out this and other similar deals.

The only other witness called in the afternoon was Chi Chak Hen, who claimed to be the bookkeeper of Kennedy and the writer of the letters and interpreter of the code cables received and sent.

MANILA, Oct. 12.

The trial of Grant and Kennedy for illegal importation of opium closed yesterday in a whirlwind of excitement owing to a personal encounter between Attorney O'Brien and Detective Cooley. Attorney O'Brien was acting in conjunction with Attorney Waite on behalf of Kennedy, and called as a witness the official Chinese interpreter, Kempton, to prove that he was a brother of Kennedy.

Kempton's appearance caused a flow of Billingsgate that flustered the participants, astonished the court officials, and greatly amused the spectators. It concerned statements which Detective Cooley was alleged to have said about Kempton's identity and whereabouts. Attorney O'Brien accused Mr. Cooley of saying something "untrue, who responded with "liar." O'Brien then called for protection of the court, whereupon Assistant Prosecuting Attorney Southworth remarked forcibly that Mr. O'Brien had caused the trouble himself.

Judge Lobingier intervened and called all parties to order, informing the attorney that the matter was a private one and must be settled out of court. He also warned the parties that any further disturbance in court would lay them open to contempt proceedings.

Apart from this episode, the trial was a very unexciting one and but little of interest was adduced from any of the witnesses. One of the first steps of the defence was to produce a string of cables sent from Manila to Arcade, the cable address of Barker and Company of Hongkong.

The machinery containing the contraband was prepared by the Barker company and it was desired to show from the cables that Grant had many dealings with the firm. The prosecution held the cables to be of but little value as they are unsigned and may have been sent to Barker and Company by other persons in Manila and are not necessarily cables from Grant.

One of the cables concerned the four tubes that contained the contraband and informed the firm that they had been seized by the customs authorities as containing contraband and that they must be immediately duplicated. This cable was sent by Grant at the instance of one of the members of the Philippine Dredging Company in the belief that the tubes were really part of the machinery ordered for the company. An effort will be made by the defence to show that one or more of the other cables now in code were sent later countermanding this order to duplicate.

These cables will be deciphered by the defence and reintroduced as evidence for the purpose of showing that Grant had engineered the deal in Hongkong and was the real importer of the drugs.

Kennedy's book-keeper was again put on the stand yesterday and identified the correspondence and cables introduced on Saturday.

Grant had testified that on May 14 he had drawn a draft on the International Bank for the sum of P5,900. Mr. Webb of the bank was called yesterday to testify that the draft was for P2.200 only and was payable to George Lindsey of Londen.

After the encounter between the attorney and the detective the interpreter Kempton was placed on the stand and testified that he was the broker of Kennedy and that he went to China inJuly last on one month's vacation. That he left on the *Manchuria*.

On cross-examination he stated that being a Chinaman he was compelled to make application for permission to leave the islands and return, thirty days before the date of leaving he being classed by the Customs authorities as a labourer. He added that he made an effort to have this provision waived and succeeded. This information was elicited by the prosecution to show that Kempton left for Hongkong in a great hurry.

Asked whether he had any other broker he hesitated and then replied that he had one in London, and that he had none in Hongkong. Asked as to his brother's business in Hongkong he said that he had none.

Who is Kai Mi? asked the prosecution.

That is my brother, Kennedy, was the reply; it is his Chinese name.

What is your Chinese name? —Kai Tong.

Has your brother any other Chinese name?

After some hesitation Kempton replied that he had another, Ah Yuen. This latter name is the one appended to the correspondence that passed between Kennedy and his correspondent in Hongkong, Hoy Man, also known as Hoyman.

Following the testimony of Kempton the defence rested, and the prosecution announced that it desired to cite Grant as witness in

rebuttal of certain testimony given, but that Grant was at home in his hotel, a nervous and physical wreck. Attorney Cohn, Grant's attorney, was cited to bear out the statement and told the court that he had called upon his client that morning but found him unable to leave his room and suffering from a nervous collapse. He also stated that he was wandering in his mind and was unable to converse intelligently.

In view of this the court decided to suspend the trial until such time as Grant could be brought to court or his testimony could be taken at his hotel.

FAR EASTERN TELEGRAMS.

A FEDERAL COUNCIL FOR THE MALAY STATES.

Singapore October 21st.

A Federal Council for the Federated Malay States has been formed, to meet in the beginning of December.

Special provision is made that the planting and mining interests shall be represented, also that each State shall be represented, but autonomy is retained locally.

PRINCE ITO'S TOUR.

Tokyo, October 22nd.

Prince Ito addressed public meetings at Dairen and Port Arthur. At Dairen he emphasised the absolute necessity of Japan's strict observance of commerical integrity in official and private dealings. At Port Arthur he spoke of the necessity for peace, which, he said, could only be maintained by being prepared for war. "If," he added, "Japan wishes to preserve her position among the nations of the world, heavy expenditure on the Army and Navy is inevitable."

LORD KITCHENER'S VISIT TO JAPAN.

Tokyo, October 22nd.

Lord Kitchener arrives here on the 2nd November, when he will be received as an Imperial guest of princely rank.

The manœuvres have been postponed for one day to suit his convenience.

[FROM THE "CHUNG NGOI SAN PO."]

CHINA'S NAVY.

Peking, October 22nd.

The Peking Government intends to appoint an English officer as the principal of the naval college to be established at Tientsin.

OXFORD LOCAL EXAMINATIONS.

News has just reached the Warden of St. Stephen's College that out of the 18 boys recommended by the College for the above Examinations all have passed, with the addition of one other who through prolonged absence could not receive the College recommendation. Of the above 19 no less than nine are in the Senior Division, of whom eight are below the age necessary to allow them to bear the A.A. degree, three of these being in the Senior and one in the Junior. Only those who are under 18 years of age in the Senior and under 16 in the Junior are eligible for distinction. Following are the results: —

Senior: Fung Man Sui, Leung Nai Tsun, Leung Nai Hang, Chan Ying Wing, Cheng I Kam, Cheng Yun-tin, See Chong Su, Wei Wing Hon, Yip In Fong.

Junior: Chau Tsun Nin, Ho Wing Kin, Lam Tung, Wei Wing Lock, Wei Wing Yuet, Wong Shiu Tung.

Preliminary: Lai Hau Yeung, Lai Hau Chin, Lo Kwan Iu, Lei Ying Chiu.

It is understood that the Chinese Government is sending a Chinese postal delegate to Tibet to arrange the preliminaries for the establishment of a postal service to the Tibetan trade marts and possibly to Lhassa. It is understood that the new service will have the sympathetic co-operation of the Indian postal administration.

COMMERCIAL

IMPORTS:—

RICE.

HONGKONG, 24th October:—The prices are advancing a little, holders being firm.

Saigon, Ordinary	$5.05	to	$5.10
„ Round, Good quality	5.10	„	5.15
„ Long	5.20	„	5.25
Siam, Field mill cleaned, No. 2	5.05	„	5.10
„ Garden, „ No. 1	5.25	„	5.30
„ White,	5.35	„	5.40
„ Fine Cargo	5.45	„	5.50

OPIUM.

HONGKONG, October 18th.

Quotations are:—

Malwa New	$1,220/1,260	per picul
Malwa Old	$1,270/1,300	do.
Malwa Older	$1,310/1,320	do.
Malwa Very Old	$1,340/1,370	do.
Persian Fine Quality	$1,100/1,050	do.
Persian Extra Fine	$1,160/1,180	do.
Patna New	$1,290	per chest.
Patna Old	$1,275	do.
Benares New	$1,320	do
Benares Old	$ —	do

FOOCHOW IMPORTS.

YARN.—Since 1st June, 1909:—

As per last circular	12,381.30	piculs
During the week	318.00	„
Total	12,699.30	„

KEROSINE.—Since 1st June, 1909:—

As per last circular	199,985	gallons

FLOUR.—Since 1st June, 1909:—

As per last circular	158,193	bags
During the week	1,825	„
Total	160,018	„

OPIUM.—Since 1st June, 1909:—

As per last circular	763½	chests
During the week	72	„
Total	835½	„

PIECE GOODS.

Messrs. Noël, Murray & Co. in their Piece Goods Report, dated Shanghai, 15th Oct., 1909, state:—The market continues to drift along in the same way that it has been doing for months now, no excitement being aroused by the growing strength of the home markets, or the prospective shrinkage of supplies. It clearly shows the dejected state the trade of the Country has been reduced to, and the little spirit that is left in her traders to take advantage of the strong position the piece goods business, at all events, should be in. The low Exchange and high price of the raw material should be an effectual barrier to further importations, until the conditions of those two essential factors are completely changed. They affect Japanese makes just as much as Manchester and American, while Indian and Local Yarns have already long since responded to their influence. Yet, although the off-take of these Spinnings does show a slight increase over that of last year, an admittedly bad one, it cannot begin to account for the, not so much falling off, as the lack of improvement generally in the trade. Is popular favour reverting to Silk and furs for garments? Or what is taking the place of the erstwhile favourite cloths in a country that is supposed to be in the process of development? So far, owing to circumstances over which Importers have certainly lost all control, the native consumer has been able to secure goods at absurdly low prices, as compared with replacing cost, and even the middlemen are complaining that they make little or no profit, so that it is necessary to obtain a higher range of prices in the country, which should not be difficult to do with the very promising crops and greatly increased export trade, if there were not other obstacles! Then, naturally, it comes down to the currency question, which, beyond all possible doubt, is the root of the evil, and until that is properly reformed trade cannot prosper. During the week further orders for American goods at absurdly inadequate prices have come in from Newchwang and Tientsin, but holders are not able to get any advance to speak of, business consequently being confined to second hands still. Chefoo has also been in the market to some extent for similar goods; however it is only for the lighter weight makes, which are taken for the up-river markets, that any improvement is noticeable. Clearances have been accelerated by the departure of a steamer for Corea, which took a fair quantity of goods. Accounts of that market are decidedly conflicting. Residents there write very despondently, and say that the shipments thence are not going into consumption, as the natives have to practice the greatest economy as their means of livelihood are rapidly disappearing. The shippers here, however, seem to have plenty of confidence. The news that Vladivostock may soon be made an open Port again will be greeted with satisfaction here. The Manchester market is very strong, but in spite of the many assertions that it must go higher few care to take the risk of buying at prices from thirteen to twenty per cent. over those now current here, even in face of the possiblities of Cotton going up to eight-pence, and even nine-pence, as some predict. This morning the Liverpool quotation for Spot comes 7.36d. for Mid-American, and 7.11d. January/Feburary option was received yesterday, Egyptian remaining at 10⅛d. The price for American is confirmed by telegrams from New York, which quoted on the 12th inst. 13.34 cents for January and 13.42 cents for March, while today December option is wired 13.33 cent. The goods market naturally keep very strong with prices eleven to twelve per cent. over prices now being accepted by the natives here. It is interesting to see from telegrams recently received that the shipments of Plain Cottons for the nine months ended 30th ulto. are apportioned as follows:—

	Bleached	Grey
Hongkong... yards.	52,400,000	35,500,000
Shanghai ... „	119,000,000	152,600,000
Tientsin ... „	12,300,000	1,500,000

The Yarn market is not quite so buoyant, though prices for Indian are still under those ruling in Bombay, which seem likely to be maintained, although there is only a small business doing there. In Japanese Spinning there is a suspicion that the business reported is not all to fill orders immediate consumption, a chance to speculate being afforded pending the decision as to the continuation of the agreement curtailing the output for export by the Mills in Japan. The lower tendency of the local Cotton market has not had much effect on Spinners here as yet, fairly firm prices being maintained. Privately business continues on a very limited scale, first hand holders not being at all anxious to sell, but here and there special lots have changed ownership at more satisfactory prices. There are a lot of weak holders still amongst the natives and no concerted action can be taken to force prices up. This of course is rendered more difficult not only by the Auctions but by the continued clearing out of bankrupt stock by forced sales. A further fair amount of business is reported amongst the natives in American Drills, Shirtings and Sheetings, but prices show little change in the heavier makes, Drills being about two and a half candareens higher, while Sheetings remain the same. Shirtings, however, show a firmer market and advances of a half to one mace are reported. The Auctions have shown a decidedly firmer tendency this week for the great majority of the goods offered, it being easier to point out the exceptions, which are the better class of White Shirtings, T-Cloths and Jeans. Prices have kept fairly steady to firm for Turkey Reds and Fast Black Italians. Woollens have realised steady to firm prices, the Dark Blue Camlets this morning advancing Tls. 5.00 per piece, which probably means new uniforms for the native police force.

EXPORTS:—

TEA.

FOOCHOW, 8th October—The following settlements have taken place during the week:—Congous.—520 half-chests. Viz.:—331 boxes Pakling, 189 half-chests Panyong, 102 half-chests Saryune, 118 half-chests Yung How. Souchongs.—363 half-chests, Nolongs.—4,382 half-chests, Scented Teas.—558 boxes, Flowery Pekoes.—474 chests.

Total arrivals, settlements and stocks to date

	½-chests Congou.	½-chests Souchong.	½-chests Oolong.	chests Pekoe.
Arrivals	143,000	78,500	55,180	9,800
Settlements	137,715	75,613	48,084	9,489
Stocks	5,285	2,887	7,096	311

The Tea Export Summary from commencement of Season to date:—

	Total lbs.
Austria	487,113
France	645,986
Germany	2,618,008
Holland	766,683
London	3,230,564
Russia	179,740
Other Countries	357,329
South America	140,853
Australia & N. Z.	799,721
U. S. & Canada	1,854,275
South Africa	153,543
Coastwise Southward	49,235
Coastwise Northward	423,707
Total Shipments	11,706,757

FOOCHOW EXPORTS.

CAMPHOR.—Since 1st June, 1909:—
As per last circular .....651.02 piculs
CAMPHOR OIL.—Since 1st June, 1909:—
As per last circular .....58.58 „

CAMPHOR

HONGKONG, 24th October:—The above market is at a standstill and prices remain as last quoted.

MISCELLANEOUS EXPORT.

Per P. & O. steamer *Himalaya*, sailed on 16th October 1909. For Manchester—15 bales waste silk. For Hamburg—25 cases human hair. For Milan—30 bales raw silk. For St. Etienne—15 bales raw silk. For Lyons—310 bales raw silk. For Marseilles—80 bales raw silk, 6 cases feathers. For Gibraltar—1 case silk linen goods. For London—256 bales waste silk, 27 bales raw silk, 8 cases silk, 2 boxes jewellery and embroidery, 7 cases porcelain, 61 pkges feathers, 7 cases China ware, 3 rolls carpet, 1 case wooden models, 11 empty cylinders.

HONGKONG SHARE QUOTATIONS.

HONGKONG, 22nd October, 1909.—We have no improvement to report in our local market and business continued dull with an inclination to a fall in rates. Rubbers have ruled comparatively quiet and with but little business. Exchange on London closes at 1/8 13/16 T.T. and on Shanghai at 74⅞.

BANKS.—With the exception of small sales of Hongkong and Shanghais at 995 we have no business to report. Nationals remain unchanged.

MARINE INSURANCES.—Unions continue steady to strong and small sales have been effected at 847½ during the week, the market closing with further buyers. North Chinas have fallen in the North, with a small sale to 110, but buyers prevail at that rate. Other stocks under this heading call for no special remarks.

FIRE INSURANCES.—Hongkongs remain steady at 375, but without business and the market closes slightly weaker with some probable small sellers at the rate. Chinas have been placed at 114 and close steady at that.

SHIPPING.—We have neither changes nor business to report under this heading.

REFINERIES.—China Sugars have ruled fairly steady during the week, but with an inclination to sell at 146, and after several small sales at that rate the market closes with a small demand. On time some sales have been effected at 148 and 148½ for December, and at 151 for March. Luzons remain unchanged and without business.

MINING.—Raubs are on offer at 8 without inducing business. Chinese Engineerings have improved in the North to 20½ with buyers. Langkats, after falling as low as 740, close firmer with buyers at 800.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks remain neglected at 55 and we have no sales to report. Kowloon Wharfs have been the medium of a fair business at 63 and 64, closing fairly steady, but with a few shares on offer at the latter rate. Shanghai Docks have ruled weak at 75 and 75½ closing with local sales at 76. We have nothing further to report under this heading.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands continue neglected and after small sales at 104 close with sellers. West Points have been negotiated in fair lots at 41, closing with further buyers at that rate. Hotels remain unchanged and without business.

COTTON MILLS.—Ewos have improved in the North to 149, consequent on a continuation of good business and a proposed issue of Preference shares for the purpose of extending the plant. Internationals have receded to 88, and Laou Kung Mows to 110. Soy Chees have improved to 460.

RUBBERS.—We have but little to report under this heading, the market having ruled very quiet. Rates, however, continue steady. Shelfords have changed hands at 36/, Ledburys at 52/, and Golcondas at 56/.

MISCELLANEOUS.—China-Borneos have declined to 12½ without sales, China Providents have been placed at 9½, and more shares are wanted at that rate. Cements have receded to to 7½, at which a few small lots have changed hands, the market closing with further sellers. Union Water Boats have found buyers at the reduced rate of 10½ and China Lights at 5½, Dairys are quoted at 16½ ex the dividend of $1.20 for the year ended 31st July, 1909.

Quotations are as follows:—

STOCKS	PAID UP.	QUOTATIONS
Banks—		
Hongkong & S'hai...	$125	$995, sales / £91.10
National B. of China	£6	$65, buyers
Bell's Asbestos E. A....	12/6d.	$10, buyers
China-Borneo Co.....	$12	$12½, sellers
China Light & P. Co....	$10 / $1	$5½, buyers
China Provident	$10	$9.50, sales & buy.
Cotton Mills—		
Ewo Cotton S. & W.	Tls. 50	Tls. 148½
Hongkong C. S. Co.	$10	$6, sales
International	Tls. 75	Tls. 88
Laou Kung Mow ...	Tls. 100	Tls. 110
Soychee	Tls. 500	Tls. 460
Dairy Farm Co.....	$6	$16½, x.d.
Docks & Wharves—		
H. & K. Wharf & G.	$50	$64, sellers
H. & W. Dock	$50	$55, sellers
New Amoy Dock ...	$6¾	$9, sellers
Shanghai Dock and Eng. Co., Ld.	Tls.100	Tls. 76, sal. & buy.
S'hai & H. Wharf...	Tls. 100	Tls. 140
Fenwick & Co., Geo...	$25	$11, sellers
G. Island Cement Co	$10	$7½, sales & sel.
Hongkong & C. Gas...	£10	$210, buyers
Hongkong Electric....	$10	$20½, sellers
Hongkong Hotel Co.	$50 / $25	$72½ / $43½
Hongkong Ice Co.....	$25	$180, sellers
H'kong Rope M. Co....	$10	$23, sellers
Insurances—		
Canton	$50	$172½, sellers
China Fire	$20	$114, sales
China Traders	$25	$92, buyers
Hongkong Fire.....	$50	$375
North China	£5	Tls. 115, sellers
Union	$100	847½, sal. & buy.
Yangtsze	$60	$230
Land and Buildings—		
H'kong Land Invest.	$100	$104
Humphrey's Estate	$10	$9, sellers
Kowloon Land & B.	$30	$30, sellers
Shanghai Land.....	Tls. 50	Tls. 120
West Point Building	$50	$41, sales & buy.
Mining—		
S. F. des C. du T'kin	Fr. 250	$625, buyers
Raubs	18/10d.	$8, sellers
Peak Tramways Co., Ld	$10 / $1	$13½, sellers / $1¼, sellers
Philippine Co., Ld.....	$10	$9, sellers
Refineries—		
China Sugar	$100	$146½, buyers
Luzon Sugar	$100	$23, sellers
Robinson Piano Co. ...	$50	$50, sellers
Steamship Companies		
China and Manila...	$25	$8½, sellers
Douglas Steamship	$50	$33, sellers
H., Canton & M. ...	$15	$31, sales & sel.
Indo-China S. N. Co.	£5	$41, sellers / $19, sellers
Shell Transport Co.	£1	73/-, buyers
Star Ferry.....	$10 / $5	$26 / $14½, sellers
South China M. Post...	$25	$23½, buyers
Steam Laundry Co.....	$5	$5¾
Stores & Dispensaries—		
Campbell, M. & Co...	$10	$12
Wm. Powell, Ld.	$7	$3¾, sellers
Watkins, Ld.....	$10	$5, sellers
Watson & Co., A. S.	$10	$8, sellers
Weissmann, Ld.....	$100	$150
United Asbestos	$4 / $10	$12½, sellers / $300
Union Waterboat Co....	$10	$10½, sales
Rubbers—		
Castlefields, fully p.	—	60/-, sellers
Ltnggis	—	24/-, buyers
Anglo-Malays	—	15/-
Shelfords	—	36/-. sellers
Balgownies	—	$71 (Straits), sel.

VERNON & SMYTH, Brokers.

SHANGHAI SHARE QUOTATIONS.

18th October, 1909.

COMPANY.	PAID UP.	QUOTATION
Banks:—		
Hongkong & S'hai...	$125	$1,025, sellers
National of China...	£6	$65, buyers
Russo-Chinese	R187½ / T125	Tls. 125
Insurance:—		
Union Society C't'n	$100	$842½, buyers
North-China	£5	Tls. 110
Yangtsze Assocn. ..	$60	$232
Canton	$50	$180, sellers
Hongkong Fire.... .	$50	$357½, buyers
China Fire.....	$20	$115
Shipping:—		
Indo-China pref. / def.	£5	Tls. 41½, buyers
Shell Trans. ord. / & Trading pref.	£1 / £10	£3.11 sales / £9.10.0
S'hai Tug & Lighter ... pref. / ord.	T50	Tls. 40, buyers / Tls. 52, buyers
Taku Tug & Lighter	T50	Tls. 45
Kochien Transportation & To Boat	T50	Tls. 47½, sales
Docks & Wharves:—		
S'hai Dock & Erg...	T100	Tls. 75, buyers
H. & W. Dock	$50	$55, sellers
S. & H'kew Wharf...	T100	Tls. 143, sellers
H. K'loon W. & G...	$50	$61, buyers
Yangtsze	T100	Tls. 200, sellers
Sugar Companies:—		
Perak Cultivation...	T50	Tls. 335, sales
China Refining.....	$100	$146, sales
Mining:—		
Raub Australian ...	£1	Tls. $8, buyers
Chinese Eng. & Min.	£1	Tls. 20, buyers
Lands:—		
S'hai Investment...	T50	Tls. 120, sellers
H'kong Investment	$100	$104½, sellers
Humphreys' Estate	T10	$9¼, sellers
Weiheiwei.....	T20	Tls. 9
China.....	T50	Tls. 50
Anglo-French	T100	Tls. 106, sales
Plantations:—		
Kalumpong Rubber	T50	Tls. 225, buyers
S. R'ber Estates ...	T100	Tls. 295, buyers
T. R. & T. Estate Co.	£1	Tls. 18, sellers
Dominion Rubbers..	T6	Tls. 13, buyers
Shanghai - Sumatra Tobacco	T20	Tls. 107, buyers
Chempedak	...	Tls. 14, sales
Cottons, etc:—		
Ewo.....	T50	Tls. 148½, buyers
Internationals	T75	Tls. 91, buyers
Laou Kung Mow ...	T100	Tls. 112, buyers
Soy Chees	T500	Tls. 460
H.C.S.W.D.Co., Ld.	$10	Tls. 6½
Shanghai Cotton ...	T50	Tls. 68, buyers
Eastern Fibre	£10	Tls. 10
Industrial:—		
Maatschappij, &c., in Langkat.....	Gs.100	Tls. 830, sales
Shanghai Gas	T50	Tls. 108, sellers
Major Brothers.....	T50	Tls. 52½
Shanghai Ice.....	T25	Tls. 15
China Flour Mill ...	T50	Tls. 56, buyers
S'hai Pulp & Paper	T100	Tls. 35, buyers
Green Is. Cement....	$10	$8.75, sales
S'hai Waterworks...	£20	Tls. 425, sales
Anglo-Ger. Brewery	$100	$82½, buyers
A. Butler Cement, Tile Works	T50	Tls. 23½, sales
Shanghai Electric Construction.....	£10	£6.10 buyers
China Im. & Ex. Lumber	T100	Tls. 75
Shanghai Electric & Asbestos	$25	$20½, sellers
China Printing Co.	T50	Tls. 50
Stores:—		
Hall & Holtz.....	$20	$23, buyers
A. Llewellyn.....	$60	$65
A. S. Watson & Co.	$10	$9
Central Ordinary ...	$15	$17
Central Founders...	$15	$400, buyers
S. Moutrie & Co. ...	$50	$40
Weeks & Co.	$20	$26, sellers
Lane, Crawford & Co.	$100	$165, sales
Dunning & Co.	$50	$35
Hotels:—		
Astor House Hotel	$25	$19, buyers
Hongkong Hotel Co.	$50	$75, buyers
Hotel des Colonies	T12.50	Tls. 5½
Tsingtao Hotel	$100	Tls 75
Miscellaneous:—		
S'hai Horse Bazar...	T50	Tls. 55
S'hai Mercury	T50	Tls. 50
S'hai Mutual Tele.	T50	Tls. 67 sellers
Dallas Horse Repository	T50	Tls. 25

J. P. BISSET & Co.

EXCHANGE.

Hongkong, October 25th.

ON LONDON.—	
Telegraphic Transfer	1/8 3/4
Bank Bills, on demand	1/8 13/16
Bank Bills, at 30 days' sight	1/8 7/8
Bank Bills at 4 months' sight	1/9 1/16
Credits, at 4 months' sight	1/9 1/4
Documentary Bills, 4 months sight	1/9 3/8
ON PARIS.—	
Bank Bills, on demand	218 1/2
Credits 4 months' sight	222 1/2
ON GERMANY.—	
On demand	177 1/2
ON NEW YORK.—	
Bank Bills, on demand	42 3/8
Credits, 60 days' sight	43 1/2
ON BOMBAY.—	
Telegraphic Transfer	129 1/2
Bank, on demand	129 3/4
ON CALCUTTA.—	
Telegraphic Transfer	129 1/2
Bank on demand	129 3/4
ON SHANGHAI.—Bank, at sight	74 7/8
Private, 30 days' sight	75 3/4
ON YOKOHAMA.—On demand	84 1/4
ON MANILA.—On demand	85 1/4
ON SINGAPORE.—On demand	73 3/4
ON BATAVIA—On demand	104 1/4
ON HAIPHONG.—On demand	7 1/2 p.c. pm.
ON SAIGON.—On demand	7 1/4 p.c. pm.
ON BANGKOK.—On demand	88 1/2
SOVEREIGNS, Bank's Buying Rate	$11.50
GOLD LEAF 100 fine, per tael	$60.10
BAR SILVER per oz	23 3/8

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

October:— ARRIVALS.

14, Chihli, British str., from Iloilo.
14, Laisang, British str., from Calcutta.
15, Amigo, German str., from Manila.
15, Benavon, British str., from Singapore.
15, China, Austrian str., from Trieste.
15, Chiyo Maru, Jap. str., from San Francisco
15, Haimun, British str., from Swatow.
15, Hilary, German str., from Tsingtau.
15, Himalaya, British str., from Shanghai.
15, Kwongsang, British str.. from Shanghai.
15, Loosok, German str., from Bangkok.
15, Mandasan M., Jap. str., from Kutchintsu.
15, Peking, Swedish str., from Singapore.
15, Shinshiku Maru, Jap. str., from Moji.
15, Taming, British str., from Manila.
15, Victoria, Swedish str., from Haiphong.
16, Ben Thuy, French str., from Haiphong.
16, Coblenz, German str., from Sydney.
16, Fausang, British str., from Tegal.
16, Glaucus, British str., from Shanghai.
16, Hangchow, British str., from Chefoo.
16, Hongkong Maru, Jap. str., from Moji.
17, Ambria, German str., from Wusung.
17, Anhui, British str., from Shanghai.
17, Chipshing, British str., from Tientsin.
17, Choshun Maru, Jap. str., from Swatow.
17, Daijin Maru, Jap. str., from Swatow.
17, Haitan, British str., from Swatow.
17, Haldis, Norwegian str., from Bangkok.
17, Kwangtah, Chinese str., from Shanghai.
18, Miyasaki Maru, Jap. str., from Japan.
18, Stentor, British str., from Shanghai.
18, Yuensang, British str., from Manila.
18, Zafiro, British str., from Manila.
19, Luetzow, German str., from Japan.
19, Moyune, British str., from Liverpool.
19, Pitsanulok, German str., from Bangkok.
20, Albenga, German str., from Foochow.
20, Atholl, British str., from Keelnng.
20, Brand, German str., from Hanyang.
20, Choising, German str., from Bangkok.
20, Machew, German str., from Bangkok.
20, Prinzess Alice, Ger. str., from Singapore.
20, Taikosan M., Jap. str., from Kuchinotzu.
20, Vorwarts, German str., from Hoihow.
21, Aldenham, British str., from Sydney.
21, Asia, American str., from San Francisco.
21, Brisgavia. German str., from Singapore.
21, Haimun, British str., from Swatow.
21, Hanoi, French str., from Haiphong.
21, Hirano Maru, Jap. str., from Singapore.
21, Linan, British str., from Shanghai.
21, Namur, British str., from London.
21, Peiho, French str., from Antwerp.
21, Quarta, Dutch str., from Java.
21, Thordis, Norwegian str., from Swatow.
21, Ujina Maru, Japanese str., from Tegal.
22, A. Apcar, British str., from Calcutta.
22, Ceylon, British str., from Yokohama.
22, Changsha, British str., from Sydney.
22, Chiyuen, Chinese str., from Shanghai.
22, Chowfa, German str., from Bangkok.
22, Glamorganshire, Br. str., from Japan.
22, Kweiyang, British str., from Dalny.
22, Onsang, British str., from Samarang.
22, Tean, British str., from Manila.
22, Tingsang, British str., from Chingwantao

October:— DEPARTURES.

15, Bourbon, French str., for Saigon.
15, Cheongshing, British str., for Tsingtau.
15, Childar, Norwegian str., for Swatow.
15, Delhi, British str., for Shanghai.
15, Devawongse, German str., for Bangkok.
15, Haiching, British str., for Swatow.
15, Ischia, Italian str., for Singapore.
15, Loongsang, British str., for Manila.
15, Phranang, German str., for Bangkok.
15, Soshu Maru, Japanese str., for Swatow.
15, Tjikini, Dutch str., for Batavia.
16, Amara, British str., for Saigon.
16, Benavon, British str., for Nagasaki.
16, Empress of Japan, Br. str., for Shanghai.
16, Halvard, Norwegian str., for Hoihow.
16, Himalaya, British str., for Europe, &c.
16, Hoangho, German str., for Newchwang.
16, Hongmoh, British str., for Amoy.
16, Manchuria, American str., for Shanghai.
16, Namsang, British str., for Singapore.
16, Nicomedia, German str., for Hamburg.
16, Rubi, British str., for Manila.
16, Sado Maru, Japanese str., for Kobe.
17, Bujun Maru, Japanese str., for Swatow.
17, Chenan, British str., for Shanghai.
17, Chihli, British str., for Hongay.
17, Coblenz, German str., for Yokohama.
17, Fukura Maru, Jap. str., for Wakamatsu.
17, Haimun, British str., for Swatow.
17, Kiukiang, British str., for Amoy.
17, Kwanglee, Chinese str., for Shanghai.
17, Mandasan Maru, Jap. str., for Miike.
17, Rajaburi, German str., for Swatow.
17, Singan, British str., for Hoihow.
20, China, Austrian str., for Shanghai.
20, Glaucus, British str., for Singapcre.
20, Prometheus, British str., for Bangkok.
21, Ambria, German str., for Straits.
21, Amigo, German str., for Tsingtau.
21, Daijin Maru, Jap. str., for Swatow.
21, Haitan, British str., for Swatow.
21, Luetzow, German str., for Europe, &c.
21, Prinzess Alice, Ger. str., for Shanghai.
21, Taming, British str., for Manila.
21, Victoria, Swedish str., for Hoihow.
22, Anhui, British str., for Shanghai.
22, Borneo, German str., for Sandakan.
22, Ceylon, British str., for Singapore.
22, Choshun Maru, Jap. str., for Swatow.
22, Huichow, British str., for Amoy.
22, King George, Brit. ship, for New York.
22, Miyasaki Maru. Jap. str., for Singapore.
22, Moyune, British str., for Shanghai.
22, Namur, British str., for Shanghai.
22, Shinshiku Maru, Jap. str., for Sourabaya.
22, Stentor, British str., for Singapore.
22, Wuhu, British str., for Swatow.

PASSENGERS.

ARRIVED.

Per *Tean*, from Manila, Mrs Allyn.
Per *Hanoi*, from Haiphong, Mr Barthes.
Per *Ceylon*, from Yokohama, Miss Dening.
Per *Chipshing*, from Tientsin, Mr F. Thomas.
Per *Anhui*, from Shanghai, Mrs Weare, Messrs Kent, Monk and Nevis.

Per *Yuensang*, from Manila, Messrs J. McCourly, M. R. Edwards and D. Froimon.

Per *Linan*, from Shanghai, Mrs Fulford, Mrs Mayers, Messrs Grant and Montieth.

Per *Haitan*, from Swatow, Mrs Kydd, Messrs G. F. Ross, G. W. Cooke, David, A. M. Santos, F. Marti, W. S. Allen, Goldring and Shrendts.

Per *Arratoon Apcar*, from Calcutta, &c., Mrs Judah and child, Mrs M. Stewart and child, Miss Robinson, Messrs W. S. Lawton, A. E. Sinclair and W. D. Thompson.

Per *Himalaya*, for London, &c., Mr and Mrs Tamari, Mrs and Miss Lind, Mrs Anderson, child, infant and amah, Miss Phiney, Sergt. J. Smith, Capt H. C. M. Fellowes, Khan B. S. Abdul Ouiyum, Khan Jugbug Quiyun, Messrs H. Albrecht, G. G. Adam, H. Dibben, Heath, J. Van Cooth. J. Benjamin, H. W. Slade, A. Vernon, D. McDonald, Mendes and Poole.

Per *Zafiro*, from Manila, Mr and Mrs L. A. W. Nizon, Capt. G. M. Apple, Messrs J. R. Calder Smith, L. E. Conner, W. H. Anderson, T. Hashim, E. W. Newell, J. H. Fitzbutler and H. S. Kilpatrick.

Per *Hirano Maru*, from London, &c., Mr and Mrs J. J. Stubbing and infant, Mr and Mrs W. Inman, Dr. and Mrs W. H. Davidson and 3 children, Capt. and Mrs T. W. Lyons, Mrs G. R. Edwards and 2 children, Mrs J. Calder Smith and 2 children, Mrs M. Estibe, Mrs H. Gordon, Misses K. Knox, M. Gains, N. Gordon and L. Gordon, Bishop G. E. Moule, Rev. Bro. Emile, Messrs G. T. Moule, A. C. Clear, B. Whigham, C. H. Wright, E. Redmond and N. Fujii.

Per *Aldenham*, from Sydney, &c., for Hongkong, Mr and Mrs J. dos Santos, Mrs Palha & maid, Mrs A. M. do Rego, Mrs L. D. Hargis, Mrs M. L. Sawyer, Mrs P. Washburn, Mrs M. W. Weeks. Mrs C. Brockman, Mrs Brockman, child and maid, Dr. J. Palha, Capt. A. Carlos, Messrs H. Butcher, M. d'Almeida, C. F. Pedrosa, F. M. C. Leao, A. Fernandes, S. Gonsalves, J. Montein, T. Higard and C. H. Logan; for Shanghai, Mrs Stewart and child, Mrs Wingrove, Messrs W. Berry, H. B. Stewart, W. F. Wingrove and C. S. Taylor; for Yokohama, Mr H. B. Waterworth.

Per *Prinzess Alice*, for Hongkong, from Hamburg, Messrs Esrom, Goldenstadt, Ufken and Teschuer; from Antwerp, Messrs O. Rank, L. Heweux, v. d. Broeck and son; from Southampton, Miss Fletcher, Miss Mackinson Messrs MacFarlane and D. Cooper; from Genoa, Mrs Apple, Mrs A. Kuhn, Mrs B. Hinckle, Rev. Godefroid and party, Rev. von Leon and party, Messrs Stockhaufen, Ragondet, Tihmann, A. Aster, Devaux, Ipland and Reichert; from Algier, Mr Heurg Homble; from Singapore, Mr and Mrs Petzold, Baron van Welderen and servant, Messrs J. de Graeff, van Halften and party, Poh, Cheye and Gathemann.

DEPARTED.

Per *Ceylon*, for London, &c., Mr and Mrs Caldwell, 2 children and infant, Mr and Mrs H. Hollebone, Mrs Ings, Rev. W. Dixon, Messrs H. Dibben, J. Tracey, Grant, Felkin & Beach.

Per *Miyasaki Maru*, for London, &c., Mr and Mrs F. L. Van Houten and 2 children, Mr and Mrs Blumenthal and infant, Mr and Mrs Puncheon and infant. Minister and Mrs H. de Huerita, Mrs Clark, 4 children and European governess, Miss G. Corbett, Master Clark, Messrs H. Levy, T. Haslam, A. H. Hollingsworth, Nakaya, Sasakura, Murase, Strickland, Hayashida, Ikeda, Clark, Daly, John Kerr, Tanabashi, U. Yeda and R. Pope.

Per *Luetzow*, for Bremen, &c., Mr and Mrs B. Barendsen and child, Mr and Mrs J. Bacchus, Mr and Mrs Courtneidge, Mr and Mrs Dakyns, Mr and Mrs R. Everard, Mr and Mrs Hauptmann, Foerster, Mr and Mrs Lewis A. Hicks and child, Mr and Mrs van der Zoo de Jong, Mr and Mrs J. N. Miller, jr., Mr and Mrs H. F. Meserve. Ms and Mrs Miller, Mr and Mrs von Swiridoff, Mr and Mrs Thompson, Mr and Mrs H. S. Wynne and 2 children, Doctor and Mrs F. D. Cochius, Mrs Anthony nebst, two children and servant, Mrs M. Cloos, Mrs J. C. Davies and 2 children, Mrs Kansha Kiwa and child, Mrs Leu, Mrs Chas. A. Spofford, Mrs F. Scheidt, Misses V. F. d'Almeida, M. McFarlane, L. McFarlane, F. Fachtmann, Mathews, A. Pine, Rabbets, M. Rentens, B. Spofford, Sophie von Swiridoff, Shie and Wong, His Imperial Highness Prince Tsai Hsun, Sir C. Liang, Admiral Sah, Mrs Dr. W. Schueffner, Doctors A. des Arts, O. Cloos, W. Taylor, von Wedel and family, Major Evans and family, Major Howell, Messrs Joseph des Arts, J. Baddeley, S. ten Bokkel, John D. Râby, M. Benzohen, von Bossum du Chattil, Dixon. F. Eckhardt, O. Funke, J. Cohen Feervaart, John C. Gow, H. T. Goedkoop, jr., Haasmann, W. Helms, C. D. Haighton, C. Hofmann, R. J. Hardson, J. A. Kerel, G. D. Langereis, Morris and 2 daughters, J. Menzies, Ray, Di la Rosario, Graf von Schwerin, Wirklicher Russischer Staatsrat, Smith and family, J. M. Sinclair, Hans Temme and family, Howard Taibst, K. Vollenhoven, Thomas Cary Welch, G H. Weyngang and K. Yamaguchi.

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